

**DRAFT RED HERRING PROSPECTUS**

March 19, 2018

(This Draft Red Herring Prospectus will be updated upon filing with Roc)

Please read Section 32 of the Companies Act, 2013

**Book Built Issue****20 MICRONS NANO MINERALS LIMITED**

Our Company was originally incorporated as “Speciality Minerals Private Limited” on October 28, 1993 under the Companies Act, 1956 in the state of Gujarat vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company became a deemed public company within the meaning of section 43A of the Companies Act, 1956 on October 25, 1999 and was converted into a public limited company vide fresh Certificate of Incorporation consequent upon conversion to public limited company dated August 30, 2001 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli and the name of our Company was changed to “Speciality Minerals Limited”. Subsequently, the name of our Company was changed to “20 Microns Nano Minerals Limited” vide fresh Certificate of Incorporation pursuant to change of name dated November 12, 2008 issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of our Company is U15543GJ1993PLC020540. For further details on change of name and the registered office of our Company, kindly refer the chapter titled “History and Corporate Structure” beginning on page 139 of this Draft Red Herring Prospectus.

**Registered Office:** 9-10, GIDC Industrial Estate, Waghodia, Vadodara – 391 760, Gujarat, India.

**Telephone:** +91-02668-292297, **Fax:** +91-02668-264003, **E-mail:** [investors@20nano.com](mailto:investors@20nano.com) **Website:** [www.20nano.com](http://www.20nano.com)

**Contact Person:** Mrs. Komal Tiwari, Company Secretary and Compliance Officer; **E-mail:** [cs@20nano.com](mailto:cs@20nano.com)

**PROMOTERS OF OUR COMPANY**

**20 MICRONS LIMITED, MR. CHANDRESH S. PARIKH, MR. RAJESH C. PARIKH AND MR. ATIL C. PARIKH**

**THE ISSUE**

INITIAL PUBLIC OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF 20 MICRONS NANO MINERALS LIMITED (OUR “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING UP TO ₹ 2,100 LAKH (THE “ISSUE”) OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE AGGREGATING UP TO ₹ [●] LAKH RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE AGGREGATING UP TO ₹ [●] LAKH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, KINDLY REFER THE SECTION TITLED “ISSUE INFORMATION” BEGINNING ON PAGE 271 OF THIS DRAFT RED HERRING PROSPECTUS.

**PRE-IPO PLACEMENT**

Our Company, in consultation with the Book Running Lead Manager, may consider the allotment of [●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ 500 Lakh on private placement basis, prior to filing of Red Herring Prospectus with the Registrar of Companies, Gujarat (“Pre-IPO Placement”). In case the Pre-IPO Placement is made by our Company, the size of the Issue as disclosed hereinabove will be reduced to the extent of Pre-IPO Placement subject to compliance with Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 as amended (“SCRR”).

**PRICE BAND AND THE MINIMUM BID LOT**

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND [●] EDITIONS OF GUJARATI DAILY NEWSPAPER [●] (GUJARATI BEING THE REGIONAL LANGUAGE WHERE THE REGISTERED OFFICE OF OUR COMPANY IS SITUATED) EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE” / “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE.

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

In terms of the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”). For further details, kindly refer the chapter titled “Issue Procedure” beginning on page 278 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus and Prospectus shall be delivered to Registrar of Companies, Ahmedabad in accordance with Section 26 of the Companies Act, 2013 along with all the requisite documents. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, kindly refer the chapter titled “Material Contracts and Documents for Inspection” on page 366 of this Draft Red Herring Prospectus.

THIS ISSUE IS BEING MADE THROUGH BOOK BUILDING PROCESS IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE “SEBI ICDR REGULATIONS”) READ WITH RULE 19(2)(b)(i) OF SCRR AS AMENDED

**RISKS IN RELATION TO THE FIRST ISSUE**

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10/- each and the Floor Price is [●] times the face value and Cap Price is [●] times the face value of the Equity Shares of our Company. The Issue Price (as determined and justified by our Company and the Book Running Lead Manager as stated under the chapter titled “Basis for Issue Price” beginning on page 81 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed on the NSE EMERGE. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. **Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 17 of this Draft Red Herring Prospectus.**

**ISSUER’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE EMERGE. In terms of the Chapter XB of the SEBI ICDR Regulations, as amended from time to time, our Company has received in-principle approval from NSE vide its letter dated [●] for using its name in this offer document for listing of our Equity Shares on the NSE EMERGE. For the purpose of this Issue, the National Stock Exchange of India Limited shall be the Designated Stock Exchange.

**BOOK RUNNING LEAD MANAGER TO THE ISSUE****REGISTRAR TO THE ISSUE**

**VIVRO**

**Vivro Financial Services Private Limited**  
607-608 Marathon Icon, Veer Santaji Lane,  
Opposite Peninsula Corporate Park,  
Off Ganpatrao Kadam Marg, Lower Parel,  
Mumbai, Maharashtra, India - 400013  
**Telephone:** +91-22-66668040; **Fax:** +91-22-66668047  
**Website:** [www.vivro.net](http://www.vivro.net); **Email:** [20nano@vivro.net](mailto:20nano@vivro.net)  
**Investor Grievance Email:** [investors@vivro.net](mailto:investors@vivro.net)  
**Contact Person:** Mr. Anish Akruwala / Mr. Bhargav Parekh  
**SEBI Registration Number:** INM000010122  
**CIN:** U67120GJ1996PTC029182

**LINKIntime**

**Link Intime India Private Limited**  
C 101, 1<sup>st</sup> Floor, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai,  
Maharashtra, India - 400083.  
**Tel.:** + 91-022- 49186200; **Fax:** +91-022-49186195  
**Email:** [20microns.nano ipo@linkintime.co.in](mailto:20microns.nano ipo@linkintime.co.in)  
**Investor Grievance Email:** [20microns.nano ipo@linkintime.co.in](mailto:20microns.nano ipo@linkintime.co.in)  
**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)  
**Contact Person:** Ms. Shanti Gopalkrishnan  
**SEBI Registration Number:** INR000004058  
**CIN:** U67190MH1999PTC118368

**ISSUE PROGRAMME**

**BID / ISSUE OPENS ON:** [●]

**BID / ISSUE CLOSES ON:** [●]

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## SECTION – I OVERVIEW

### DEFINITIONS AND ABBREVIATIONS

*This DRHP uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended from time to time.*

*The words and expressions used in this DRHP but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.*

*In case of any inconsistency between the definitions given below and definitions contained in the General Information Document, the definitions given below shall prevail.*

#### Company Related Terms:

Term	Description
“20 Microns Nano Minerals Limited”, or “20 Nano” or “the Company”, or “our Company” or “Issuer” or “We” or “us”	Unless the context otherwise requires, 20 Microns Nano Minerals Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at 9-10, GIDC Industrial Estate, Waghodia, Vadodara – 391 760, Gujarat, India.
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee as reconstituted vide the Board meeting held on July 7, 2017.
“Auditors” or “Statutory Auditors”	The Statutory Auditors of our Company being, M/s K. M. Swadia & Company, Chartered Accountants
Bankers to our Company	Bank(s) who have extended credit facilities to our Company i.e., IDBI Bank Limited.
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof
Chief Financial Officer	The Chief Financial Officer of our Company being Mr. Narendrakumar R. Patel
China Clay Mine	Our mine located at Survey Number 682, Near Village Nadappa, Taluka Bhuj, District Kutch, Gujarat
Company Secretary & Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mrs. Komal G. Tiwari
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of ₹ 10/- each
Equity Shareholder(s)	Person(s) holding Equity Shares of our Company
Existing Facilities	Our manufacturing facilities located at (i) Unit 1: Plot 9 – 10, GIDC Waghodia, Vadodara, Gujarat (ii) Unit 2: Plot 347 GIDC Waghodia, Vadodara, Gujarat and (iii) Unit 3: Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu
Group Companies	Eriez Industries Private Limited
“Holding Company” or “our Holding Company” or “our Corporate Promoter” or “20 ML”	20 Microns Limited, a public company incorporated under the Companies Act, 1956 and having its registered office at 9-10, GIDC Industrial Estate, Waghodia, Baroda – 391 760, Gujarat, India.
Individual Promoters	Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh.
IPO Committee	The IPO committee constituted by our Board on March 6, 2018.
ISIN	International Securities Identification Number in this case being – INE799W01013
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “Our Management” beginning on page 143 of this DRHP.
“Memorandum of Association” or “MOA”	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee was constituted on July 7, 2017.
“Promoters” or “our Promoters”	20 Microns Limited, Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh. For details, kindly refer the chapter titled “Our Promoters and

<b>Term</b>	<b>Description</b>
	<i>Promoter Group</i> ” beginning on page 155 of this DRHP.
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. Kindly refer the chapter titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 155 of this DRHP.
Proposed Facility	Our new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat
Registered Office	The Registered Office of our Company situated at 9-10, GIDC Industrial Estate, Waghodia, Vadodara – 391 760, Gujarat, India.
RoC/ Registrar of Companies / Registrar of Companies, Ahmedabad	The Registrar of Companies, Gujarat, Dadra and Nagar Haveli located at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India
Restated Financial Information	The restated financial information of our Company which comprises of the restated balance sheet, the restated statement of profit and loss and the restated cash flow information as at and for the six months period ended September 30, 2017 and the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations
Stakeholders’ Relationship and Share Transfer Committee	Stakeholders’ Relationship Committee constituted by our Board of directors as on July 7, 2017.

#### **Issue Related Terms:**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	The issue and allotment of Equity Shares of our Company pursuant to Issue to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee(s)	The successful Bidders to whom Equity Shares of our Company are allotted
Application Supported by Blocked Amount (ASBA) / ASBA	An application, whether physical or electronic, used by all Bidders to make a Bid authorizing an SCSB to block the Bid amount in the ASBA Account maintained with the SCSB. In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the bidders have to compulsorily apply through the ASBA Process.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Investor/ASBA Bidder	Any prospective investor(s)/Bidder(s) in this Issue who apply through the ASBA process
ASBA Form/ Bid Cum Application Form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this DRHP
Bankers to the Company	Banks who have extended credit facilities to our Company.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing member(s) and registered with SEBI as Banker to the Issue and with whom the Public Issue Account will be opened and in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 278 of this DRHP
Bid(s)	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable

Term	Description
	by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bidding Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	[●], the date after which the Designated Intermediaries will not accept any Bids.
Bid/ Issue Opening Date	[●], the date on which the Designated Intermediaries shall start accepting Bids.
Bid / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Manager or BRLM	Vivro Financial Services Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres along with the names and contact details of the Registered Brokers, are available on the website of the National Stock Exchange of India Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, which shall be any price within the Price Band to be finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bid cum Application Form at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch / Designated Branches	Such branch of the SCSBs which co-ordinate Bid cum Application Form under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidder such as their address, PAN, occupation and bank account details
Depository/ Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Account, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors (or duly constituted committee thereof) may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names

Term	Description
	and contact details of the RTAs are available on the website of the NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Stock Exchange / NSE EMERGE	SME Platform of the National Stock Exchange of India Limited, viz., NSE EMERGE
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated March 19, 2018 issued in accordance with Section 26 and 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which does not contain complete particulars of the number of Equity Shares and price at which such Equity Shares will be Allotted.
Eligible NRIs	NRIs (including OCIs) from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this DRHP constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
FPI/Foreign Portfolio Investors	Foreign Portfolio Investor registered in accordance with the provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular dated October 23, 2013 bearing reference no. CIR/CFD/DIL/12/2013 read with SEBI Circular dated November 10, 2015 bearing reference no. CIR/CFD/POLICYCELL/11/2015 and included in “ <i>Issue Procedure</i> ” beginning on page 278 of this DRHP.
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company. For further information about use of Issue Proceeds, kindly refer the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 75 of this DRHP
Issue/ Issue Size	The initial public offer of [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- each, aggregating up to ₹ 2,100 Lakh. The Issue includes a reservation of up to [●] Equity Shares for Market Maker Reservation Portion for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakh.
Issue Agreement	The agreement dated March 6, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted in terms of this DRHP. The Issue Price shall be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and this DRHP
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited
Market Making Agreement	Market Making Agreement dated March 6, 2018 between our Company, the BRLM and Market Maker.
Market Maker	Market Maker appointed by our Company, in this case being Airan Finstocks Private Limited, who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh for the Market Maker in this Issue

Term	Description
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue to the Public/ Net Offer to the Public	The Issue, excluding the Market Maker Reservation Portion, of [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company
NSE	The National Stock Exchange of India Limited
Non Institutional Bidders/Non Institutional Investors	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who apply for Equity Shares for an amount of more than ₹ 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/Overseas Corporate Body	A company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by Non-Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. OCBs are not allowed to invest in the Issue.
Other Investors	All investors, including QIBs and NIIs, applying in this Issue who are not Retail Individual Investors.
Other Investors Category	The portion of Net Issue to the Public which is available for allocation and Allotment to Other Investors.
Payment through electronic transfer of funds	Payment through NACH, NEFT or Direct Credit, as applicable
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Pre-IPO Placement	The Issue and allotment of [●] Equity Shares of ₹10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ 500 Lakh on private placement basis, which our Company may consider in consultation with the BRLM, prior to filing of Red Herring Prospectus with the Registrar of Companies, Ahmedabad.
Price Band	The Price band of a minimum price of ₹ [●]/- per Equity Share (Floor Price) and the maximum price of ₹ [●]/- per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue shall be decided by our Company in consultation with the BRLM and shall be notified in all edition of the English national newspaper [●], all edition of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Pricing date	The date on which our Company in consultation with the BRLM shall finalise the Issue Price
Prospectus	The Prospectus to be filed with the ROC on or after the Pricing Date in accordance with section 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price, the Issue Size and certain other information.
Public Issue Account	Account to be opened with the Banker to the Issue i.e. [●] under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the Bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on [●] amongst our Company, the BRLM, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the number of Equity Shares and price at which such Equity Shares will be Allotted, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least



Term	Description
	three working days before the Bid/Issue Opening Date
Refund Account (s)	The account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●]
Refund through electronic transfer of funds	Refund through NACH, Direct Credit, RTGS or the ASBA process, as applicable
Registered Broker	Stock brokers registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com">www.nseindia.com</a>
Registrar / Registrar to the Issue / Registrar and Share Transfer Agent or RTA	Link Intime India Private Limited
Registrar Agreement	The agreement dated March 6, 2018 entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Investors/Retail Individual Bidders	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their Karta), who apply for an amount less than or equal to ₹ 2,00,000
Retail Individual Investors Category/ Retail Individual Bidders Category	The portion of Net Issue to the Public which is available for allocation and Allotment to Retail Individual Investors / Retail Individual Bidders.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB/ Self Certified Syndicate Bank	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Applications Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other website as may be prescribed by SEBI from time to time
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Sub-Syndicate members	A SEBI registered member of National Stock Exchange of India Limited appointed by the BRLM and/or Syndicate Member to act as a Sub- Syndicate Member in the Issue
Syndicate Agreement	Agreement dated [●] entered into amongst the BRLM, the Syndicate Member(s) and our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate ASBA	A Bid submitted by an ASBA Bidder through the members of the Syndicate or their respective sub-Syndicate members at the Syndicate ASBA Centres instead of the Designated Branches.
Syndicate ASBA Centres	The bidding centres of the members of the Syndicate or their respective sub Syndicate.
Syndicate Member(s)	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, the BRLM and other Syndicate Member(s)
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Member(s)
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter(s)	[●]
Underwriting Agreement	The Underwriting Agreement dated [●] entered into between the Underwriter(s) and our Company
Working Days	Working Day means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Issue Period, Working Day shall



Term	Description
	mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, Working Day shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays

#### Technical, Industry and Business Related Terms:

Term	Description
AE	Advanced Estimates
AMRUT	Atal Mission For Rejuvenation And Urban Transformation
Ca <sup>2+</sup>	Calcium Ions
CAGR	Compound Annual Growth Rate
CBM	Coal Bed Methane
CLP	Classification, Labelling And Packaging
CMM	Chemically Modified Minerals
CSO	Central Statistics Office
CV	Commercial Vehicle
DDT	Dichlorodi Phenyltrichloroethane
DE	Diatomaceous Earth
DIPP	Department Of Industrial Policy And Promotion
E&P	Exploration & Production
e-NAM	Electronic National Agriculture Market
EPCG	Export Promotion Capital Goods
FA	Functional Additives
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
FMCG	Fast-Moving Consumer Goods
GDP	Gross Domestic Product
GST	Goods And Services Tax
GVA	Gross Value-Added
HELP	Hydrocarbon Exploration And Licensing Policy
HM	Hard Minerals
I & I	Industrial And Institutional
IIP	Index Of Industrial Production
KVA	Kilo Volt Ampere
LAB	Linear Alkyl Benzene
MMT	Million Metric Tonnes
MSME	Micro, Small & Medium Enterprises
MT / MTPA	Metric Tonne / Metric Tonne Per Annum
NELP	New Exploration Licensing Policy
PAN	Polyacrylonitrile
PCPIR	Petroleum, Chemicals And Petrochemicals Investment Region
PE	Polyethylene
PFCE	Private Final Consumption Expenditure
PP	Polypropylene
PS	Polystyrene
PVC	Polyvinyl Chloride
R & D Center	R&D Center Located At Plot 11, GIDC Waghodia, Vadodara, Gujarat
REACH	Registration, Evaluation, Authorisation, And Restriction Of Chemicals
SE	Siliceous Earth
SM	Soft Minerals
SME	Small And Medium-Sized Enterprises
Specialty Chemicals	Specialty Chemicals include Agrochemicals, Water Treatment & Construction Chemicals, Surfactants, Textile Chemicals, Polymers Additives, Personal Care Ingredients, Flavours & Fragrances and other such related chemicals
UN	United Nations
WPI	Wholesale Price Index

**Conventional and General Terms/ Abbreviations:**

<b>Term</b>	<b>Description</b>
₹ or INR or Rs.	Indian National Rupee
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investments Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
AOA	Articles of Association
ASBA	Applications Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CBEC	Central Board of Excise and Customs
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder including any statutory modification, amendment or substitution thereof.
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder, to the extent in force
CS	Company Secretary
DB	Designated Branch
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director Identification Number
DIPP	The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identity
DRHP	Draft Red Herring Prospectus
DSIR	The Department for Scientific and Industrial Research
DTAA	Double Taxation Avoidance Agreement
EBIDTA	Earnings Before Interest, Depreciation, Tax, Amortization and extraordinary items.
ECS	Electronic Clearing Services
EGM	Extra-ordinary General Meeting
ESIC	Employee State Insurance Corporation
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
ESPS	Employee Stock Purchase Scheme
EUR	Euro
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2017 as amended from time to time
FII(s)	Foreign Institutional Investors
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investors
FV	Face Value

<b>Term</b>	<b>Description</b>
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FY/Fiscal Year/Fiscal/Financial Year	Financial Year beginning on April 1 and ending on March 31
GAAP	Generally Accepted Accounting Principles
GCP	General Corporate Purpose
GDP	Gross Domestic Product
GIDC	Gujarat Industrial Development Corporation
GOI	Government of India
GPCB	Gujarat Pollution Control Board
GST	Goods and Service Tax
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
ICDR Regulations/ SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IPR	Intellectual Property Right
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IST	Indian Standard Time
KMP/ Key Management Personnel	The officers declared as key management personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 143 of this DRHP
Ltd.	Limited
MNC	Multinational Corporation
MOA	Memorandum of Association
MoU	Memorandum of Understanding
N/A or NA	Not Applicable
NAV	Net Asset Value
NACH	National Automated Clearing House which is a consolidated system of ECS
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NGO	Non-Governmental Organisation
NII	Non-Institutional Investor
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIB	Press Information Bureau
PSU	Public Sector Undertaking
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India

Term	Description
RHP	Red Herring Prospectus
ROCE	Return On Capital Employed
ROE	Return On Equity
RONW	Return On Net Worth
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Listing Regulations / Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations/ Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
Sec.	Section
SIA	Secretariat for Industrial Assistance
Sq.	Square
Sq. mtr	Square Meter
SME	Small and Medium Enterprise
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
UT	Union Territory
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
VAT	Value Added Tax
WDV	Written Down Value
w.e.f.	With effect from
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(zn) of SEBI ICDR Regulations

Notwithstanding the foregoing, the terms defined -

- (i) In the section titled “*Main Provisions of the Articles of Association*” beginning on page 327 of this DRHP, shall have the meaning given to such terms in that section;
- (ii) In the chapter titled “*Financial Statements*” beginning on page 168 of this DRHP, shall have the meaning given to such terms in that chapter;
- (iii) In the section titled “*Risk Factors*” beginning on page 17 of this DRHP, shall have the meaning given to such terms in that section;
- (iv) In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 84 of this DRHP, shall have the meaning given to such terms in that chapter; and
- (v) In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 228 of this DRHP, shall have the meaning given to such terms in that chapter.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

All references to “India” contained in this DRHP are to the “Republic of India”.

Unless stated otherwise, all references to page numbers in this DRHP are to the page numbers of this DRHP.

### **Financial Data**

Unless the context requires otherwise, the financial data in this DRHP is derived from our Restated Financial Information. Our Restated Financial Information has been prepared in accordance with the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI ICDR Regulations as amended.

In this DRHP, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this DRHP.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the following year accordingly, all references to a particular financial year, are to the 12 months period ended on March 31 of that year. Unless the context otherwise requires, all references to a year in this DRHP are to a calendar year and references to a Fiscal Year are to March 31 of that calendar year.

The Restated Financial Information as of and for the six months period ended September 30, 2017 and the Financial Years ended March 31, 2017, March 31, 2016, March 31 2015, March 31, 2014 and March 31, 2013 are included in this DRHP.

There are significant differences between Indian GAAP and accounting principles and auditing standards with which prospective investors may be familiar in other countries, including IFRS and U.S. GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Restated Financial Information included in this DRHP will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this DRHP should accordingly be limited. Our Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 17, 112 and 228 of this DRHP, respectively, and elsewhere in this DRHP, unless otherwise stated or context requires otherwise, have been calculated on the basis of our Restated Financial Information.

### **Currency and units of presentation**

All references to:

- “₹” or “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India.
- “US\$” or “USD” are to United States Dollars, the official currency of the United States of America.
- “€” or “Euro” the official currency of the European Union.

Our Company has presented certain numerical information in this DRHP in “Lakh” units. The words “Lakh” or “lac” mean “1,00,000”.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used in this DRHP has been obtained or derived from the report titled “An overview of India’s specialty chemicals industry”, February 2018 by CRISIL Limited and publicly available information as well as other industry publications and sources. The ‘An overview of India’s specialty chemicals industry’ Report has been prepared at the request of our Company. The CRISIL Report is

subject to the certain disclaimer. For disclaimer of CRISIL Report, kindly refer the chapter titled “*Industry Overview*” beginning on page 87 of this DRHP.

Industry publications generally state that information contained in those publications has been obtained from sources believed to be reliable but their accuracy, timeliness and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. The industry data used in this DRHP has not been independently verified by the BRLM or our Company, or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in Risk Factor titled “*We have referred to the data derived from industry report commissioned from the CRISIL Research, a division of CRISIL Limited*” appearing on page 31 of this DRHP. Accordingly, investment decisions should not be based solely on such information.

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

### **Exchange rates**

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. Dollar and Euro:

<b>Currency</b>	<b>As on December 31, 2017</b>	<b>As on March 31, 2017</b>	<b>As on March 31, 2016</b>	<b>As on March 31, 2015</b>	<b>As on March 31, 2014</b>
1 USD	63.93	64.84	66.33	62.59	60.10
1 Euro	76.39	69.25	75.10	67.51	82.58

Source: [www.rbi.org.in](http://www.rbi.org.in)

*In case 31<sup>st</sup> day of the month of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*



## FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Failure to attract, retain, train and optimally utilise our management team and other skilled manpower;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Changes in government policies and regulatory actions that apply to or affect our business.

For further discussion on factors that could cause actual results to differ from expectations, kindly refer “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 17, 112 and 228, respectively of this DRHP. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as of the date of this DRHP 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 we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the BRLM nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our

Company and the BRLM will ensure that the 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

### RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this DRHP, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

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

*To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 112, “Industry Overview” beginning on page 87 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 228 respectively, of this DRHP as well as other financial information contained herein.*

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

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this DRHP. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this DRHP. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

### INTERNAL RISK FACTORS

- 1. *Our Company, our Promoters, our Group Company and our Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company, our Promoters, our Group Company and our Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums.

Mentioned below are the details of the proceedings pending against our Company, our Promoters, our Group Company and our Directors as on the date of this DRHP along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by our Board at its meeting held on December 30, 2017:

**Litigations against our Company / Promoters / Group Company / Directors:**

Sr. No.	Nature of Cases	No. of outstanding cases	Amount to the extent quantifiable (in ₹ Lakh)
1.	Actions taken by statutory / regulatory authorities against our Promoters/Directors	5	Unascertainable
2.	Actions taken by statutory / regulatory authorities against our Group Company	1	4.00
3.	Other Pending Litigations against our Promoters	53	Unascertainable

**Litigations filed by our Company / Promoters / Group Company/ Directors:**

Sr. No.	Nature of Cases	No. of outstanding cases	Amount to the extent quantifiable (in ₹ Lakh)
<b>Litigations filed by our Company / Promoters</b>			
1.	Income Tax matters filed by our Company	1	Unascertainable
2.	Income Tax matters filed by our Promoter	6	Unascertainable
3.	Criminal Matters filed by our Promoter	2	Unascertainable
4.	Other Pending Litigation filed by our Company and Promoters	13	Unascertainable


There can be no assurance that these litigations will be decided in our favour or in favour of our Promoters, group company and our Directors and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, our Promoters and our Directors, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

Further, in addition to the aforesaid table, action by statutory / regulatory authorities has also been initiated against one of our Promoters and Group Company, the details of such cases and the cases filed by and against our Company, our Promoters, Group Company and our Directors, kindly refer the chapter titled “Outstanding Litigation and Material Developments” beginning on page 240 of this DRHP.

2. *There have been some instances of non-filing / delays / incorrect filings in the past with certain statutory authorities. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.*

In the past, there have been some instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC, which in certain instances have subsequently been filed along with the payment of additional fees, as specified by RoC. Moreover, there are certain forms filed with the RoC that are currently not available in the records of our Company. The relevant documents are also not available / destroyed at the office of the RoC, as certified by M/s. Kashyap Shah & Company, Practicing Company Secretaries, vide RoC Search Report dated February 19, 2018. Further, we may be liable for payment of penalty fees and additional expenses arising from our inability to furnish correct particulars, in respect of the RoC filings, and for misrepresentation of facts which may occur due to non-availability of documents. Except as mentioned in this DRHP, till date, there has been no penalty levied on the Company for such delays / defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company or its Directors / Officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

3. ***We have not yet obtained registration for our corporate logo and may be unable to protect our logo from being infringed by others.***

As on the date of this DRHP, we have not yet obtained registration for our corporate logo “” and hence we do not enjoy the statutory protection accorded to a registered trademark. We have made an application dated September 12, 2017 for registration of our corporate logo; however, there can be no assurance that our application will succeed. Grounds for refusal of registration may include the validity or scope of the application. If we are unable to obtain a registration, we may still continue to use the corporate logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our corporate logo which may adversely affect our reputation and business and could require us to incur additional costs. Further, our Company has 5 trademarks registered in its name. Although, we believe that that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. For further details pertaining to our intellectual property, kindly refer to the chapter titled “Our Business” beginning on page 112 of this DRHP.

4. ***Our Company has not registered some brand names of its products. Our Company in future may register the same depending on the future requirements. Any delay in making an application and/or in obtaining registration could result in loss of brand equity and the Company’s right to use the said brand names which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. We have also not yet obtained registration for our corporate logo and may be unable to protect our logo from being infringed by others.***

We depend on the strength of our brand names of our products to market and sell our product in India and internationally and believe that it is essential to our business and reputation. Though used for a period ranging from approximately two to seven years, our Company has not made any application for registering the following brand names “FASTFLOW P”, “FASTFLOW – S”, “FLOW AID”, “Rio-Bent EW”, “VAPORMAT”, “VAPORBLOCK” and “VAPOR OXOL 3F” and therefore, our Company does not enjoy the statutory protection in respect of the aforesaid brand names accorded to registered trade marks and continue to remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. If our Company makes application in the future to register our brand names, there can be no assurance that our applications will succeed.

Moreover, as on the date of this DRHP, the trademark, name and logo “FMSIL” does not belong to us. The said trademark belongs to our Corporate Promoter, 20 Microns Limited and we make use of it through a formal arrangement with our Corporate Promoter. If our Corporate Promoter withdraws, refuses to renew or terminates this arrangement, we will not be able to make use of the said trademark, name or logo in connection with our business and consequently, we may be required to invest significant resources in changing our logo which may adversely affect our reputation and business.


5. ***Our Company has not yet obtained certain statutory and regulatory licenses, registrations and approvals required to operate our manufacturing facility located at Plot 9 - 10, GIDC Waghodia, Vadodara, Gujarat and we cannot assure that we will not be penalized for such non-compliance under the relevant laws which could adversely affect our business operations and financial condition.***

Our Corporate Promoter, 20 Microns Limited had been utilizing our Company’s premises located at Plot 9 - 10, GIDC Waghodia, Vadodara, Gujarat on leave and license basis for carrying out its manufacturing activities and had accordingly, obtained the requisite approvals for the same in its name. As on date of this DRHP, the aforesaid arrangement has been terminated between our Company and our Corporate Promoter and our Company has been carrying its own manufacturing activities on the said premises. However, as on date, no approvals have been obtained by our Company in this regard. Although we are in the process of transferring the erstwhile approvals being (i) the Factory License; (ii) Contract Labour License; and (iii) Consolidated Consent and Authorisation from the GPCB obtained by our Corporate Promoter, in our own name, there can be no assurance that we may not be penalized for non-compliance with the aforementioned laws for which we have not obtained the requisite license. We may be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. Further, our Company will be responsible for bearing any and all liabilities arising out of

this non-compliance. For further details, kindly refer the chapter titled “Government and Other Statutory Approvals” beginning on page 253 of this DRHP.

**6. *If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.***

We require certain statutory and regulatory licenses, registrations and approvals to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Further, in the future, we may also be required to obtain new licenses, registrations and approvals for any proposed operations, including any expansion of existing operations. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. Further, these licenses, registrations and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Our mining activities depend on the grant, renewal or continuance in force of various mining activities related approvals, licences and permits and must comply with various statutory and regulatory requirements in connection with our business and operations. Bringing mines into operation and maintaining such mines requires obtaining approval of a mining plan as well as applicable environmental approvals in respect of the mine. Our mining leases are typically granted for a period of 20 to 30 years and we cannot assure you we will be able to renew all our leases in a timely manner, or at all, which will have a material adverse effect on our business, results of operations and financial condition. As on date of this DRHP, Company has applied for the registration of the following approvals and the same are pending registration/receipt: (i) Application dated December 29, 2015 filed before the Deputy Director, Industrial Safety and Health, for approval of registration and grant of new factory license in respect of the Company’s premises located at Plot 347, GIDC Waghodia, Vadodara, Gujarat; (ii) Application filed under Form No. 1 for permission to construct, extend or take into use any building as a factory in respect of the Company’s premises located at Plot 347, GIDC Waghodia, Vadodara, Gujarat; (iii) Application bearing no. 8088676 filed before the Tamil Nadu Pollution Control Board for obtaining the consent to establish under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 in respect of the Company’s premises located at Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli,

Tamil Nadu; (iv) Application filed under Form TM-A for registration of trademark “” under Class 1, in the name of the Company, in accordance with the Trade Marks Act, 1999; and (v) Application bearing no. 616523, dated February 9, 2018 filed through the Investor Facilitation Portal Gujarat for approval of building plan before the GIDC and for consent to establish before the GPCB in respect of its proposed project located at Plot 336, GIDC Waghodia, Vadodara, Gujarat. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues and operations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company’s operations and may have a material adverse effect on our business. For further details on the licenses obtained by our Company and licenses for which renewal applications have been made, kindly refer the chapter titled “Government and Other Statutory Approvals” beginning on page 253 of this DRHP.

**7. *Our Company does not currently own the premises at which our manufacturing facilities of Plot 347, GIDC Waghodia, Vadodara, Gujarat and Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu as well as our administrative offices in Bhuj and Udaipur are located.***

Our Company does not own the premises where our manufacturing facilities of Plot 347, GIDC Waghodia, Vadodara, Gujarat and Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu as well as our administrative offices in Bhuj and Udaipur are located. In the event that our Company is unable to renew the lease and license and / or the lease agreements in respect of the aforesaid premises and is required to vacate the aforesaid premises, it shall be required to make alternative arrangements for premises and other infrastructure at short notice. There is no assurance that our Company will be able to renew these agreements on favourable pricing terms or at all. Termination / non-renewal of any of the aforesaid agreements may lead to disruptions in our operations. For further details, kindly refer to the chapter titled “Our Business” beginning on page 112 of this DRHP.



**8. *Our Company has taken on rent properties from one of our Promoters during the last two years.***

Our Company has taken on rent the following properties from one of our Promoters namely 20 Microns Limited: (i) Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu; (ii) Plot 347, GIDC Waghodia, Vadodara, Gujarat; (iii) Plot 157, Village Mamura Bhuj, Gujarat and (iv) Plot 233/234, Madri, Udaipur, Rajasthan. We believe that such transactions have been conducted on an arms-length basis, however, there can be no assurance that our Company could not have achieved more favourable terms if had such transactions not been entered into with related parties. For further details, kindly refer the chapter titled “*Our Business*” beginning on page 112.

**9. *We derive a significant portion of our revenues from our top 10 customers. The loss of, or a significant reduction in the revenues we receive from, one or more of these customers, may adversely affect our business.***

We derive a significant portion of our revenues from our Company’s top 10 customers. In FY 2015, FY 2016 and FY 2017, our top 10 customers accounted for 59%, 57%, and 59%, respectively, of our revenue from operations. While our top 10 customers are not necessarily the same every year, the top 10 customers contribute a significant portion of our revenues. In FY 2015, FY 2016 and FY 2017, our largest customer accounted for 17%, 14%, and 11%, respectively, of our revenue from operations. The loss of business derived from these customers or a significant reduction in, the revenues we receive from, one or more of these customers may adversely affect our business.

**10. *We are required to meet our export obligations pursuant to the Government of India’s Export Promotion Capital Goods Scheme, failing which, our Company may be liable to pay custom duty along with the applicable interest / penalty leviable on the same and this might have a material adverse effect on our financial condition and our results of operations.***

We have imported some of our capital goods under licenses pursuant to the Government of India’s Export Promotion Capital Goods (EPCG) scheme. Currently, we have an export obligation by EPCG of ₹ 195.49 Lakh out of which ₹ 14.04 Lakh is utilized against exports till September 30, 2017. The export obligations imposed on us are required to be met within the 6 (six) years reckoned from October 07, 2015, failing which our Company may be liable to pay custom duty along with the applicable interest / penalty leviable on the same and this might have a material adverse effect on our results of operations and our business and financial performance will be adversely affected.

**11. *We are exposed to foreign currency exchange rate fluctuations, which may harm our results of operations, impact our cash flows and cause our financial results to fluctuate.***

Our financial statements are presented in Indian Rupees. However, our cost of raw materials consumed and finance charges are influenced by the currencies of geographies from where we import our raw material. The exchange rate between the Indian Rupee and these currencies, primarily the USD, has fluctuated in the past and our results of operations and cash flows have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. As a significant part of our raw materials is imported, we believe that our cost of raw material may rise during a sustained depreciation of the Indian Rupee against the USD. We may, therefore, suffer losses on account of foreign currency fluctuations for sale of our products since may not be able to pass on all losses on account of foreign currency fluctuations to our customers.

We currently do not hedge our foreign currency exchange risks and do not seek to hedge our future transaction. As on September 30, 2017, our total unhedged foreign currency payables amounted to 50,985 USD.

**12. *We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***

As on September 30 2017, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Restated Financial Information, as restated aggregated to ₹ 29.11 Lakh. The details of our contingent liabilities are as follows:

Particulars	As at September 30, 2017 (₹ in Lakh)
<b>a) Contingent liabilities</b>	
i) Bank Guarantees	3.68
ii) Demand of Income Tax (A.Y.2009-10)	0.05
iii) Demand of Income Tax (A.Y.2012-13)	0.62
iv) Demand by Asst.Comm Commer.Tax 2010-11	19.05
v) Demand by Assessing Officer A.Y. 2012-13	5.71
<b>Total (a)</b>	<b>29.11</b>
<b>b) Commitments</b>	-
-	-
<b>Total (b)</b>	-
<b>Grand Total (a+b)</b>	<b>29.11</b>

If any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected. For further details of our contingent liabilities, see the chapter titled “Financial Statements” beginning on page 168 of this DRHP. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**13. *Our Company has negative cash flows in the previous financial years, details of which are given below. Sustained negative cash flow could impact our growth and business.***

Our Company had negative cash flows in the previous financial years as per the Restated Financial Statements and the same are summarized as under:

(In ₹ Lakh)

Particulars	For Six Months Period ended September 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Cash flow from operating activities	124.86	(349.75)	802.59	422.36	127.73	200.97
Cash flow from investing activities	(79.05)	(21.50)	(359.22)	31.23	272.25	(124.72)
Cash flow from financing activities	53.77	369.55	(442.60)	(454.07)	(402.36)	(89.98)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

**14. *Our Group Company namely, Eriez Industries Private Limited, has incurred losses in each of the previous three years. Sustained financial losses by our Group Company may not be perceived positively by external parties such as customers, bankers or suppliers, which may affect our market perception, credibility, reputation and consequently, business operations.***

Our following Group Company has incurred losses in each of the previous three years:

(In ₹ Lakh)

Name of the Company	FY 2017*	FY 2016**	FY 2015**
Eriez Industries Private Limited	(112.46)	(54.91)	(167.10)

\*As per IND AS which has been voluntarily adopted by the company

\*\*As per Indian GAAP

If our Group Company keeps incurring sustained losses in the future, the same may not be perceived positively by external parties including customers, bankers or suppliers, which may affect our market perception, credibility, reputation and consequently, business operations.

15. ***20 Microns Limited, our Corporate Promoter and our Group Company namely, Eriez Industries Private Limited have objects similar to that of our Company's business and are engaged in the same and / or similar line of business / industry in which our Company operates. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.***

20 Microns Limited, our Corporate Promoter is engaged in the same and / or similar line of business / industry in which our Company operates and could offer services that are related to the business of our Company. Further, our Promoters and Directors, Mr. Chandresh Parikh, Mr., Rajesh Parikh and Mr. Atil Parikh are also on the board of 20 Microns Limited. Further, our Group Company namely, Eriez Industries Private Limited have objects similar to that of our Company's business. This may be a potential source of conflict of interest in addressing business opportunities, strategies, implementing new plans and affixing priorities.

16. ***In the past, there has been an instance of restructuring of the secured loans taken by our Holding Company and Corporate Promoter, 20 Microns Limited, from lender banks on revised terms and conditions at the request of 20 Microns Limited. Further, our Holding Company and Corporate Promoter, 20 Microns Limited's account was identified for Asset Quality Review and was therefore, classified as Non-Performing Assets ("NPA"). Occurrence of such restructuring and classification as NPA in the future may result in adverse impact on their business, reputation, financial conditions and results of operations thereby having a material adverse impact on our Company.***

In the past, there has been an instance of restructuring of the secured loans taken by our Corporate Promoter, 20 Microns Limited from the lender banks. While 20 Microns Limited has not defaulted in payment of any loans taken by it or in complying with the revised terms and conditions of the loans pursuant to the restructuring, any failure in the future to comply with the revised condition or covenants under such financing agreements that is not waived by the lending banks or is not otherwise cured by 20 Microns Limited, may lead to a termination of their credit facilities, acceleration of all amounts due under the said credit facility, which may adversely affect their ability to conduct their business and operations or implement their business plans thereby having an adverse impact on our financial condition. Further, occurrence of such defaults in the future may adversely impact their business, reputation, financial conditions and results of operations thereby having a material adverse impact on our Company.

Subsequently, our Holding Company and Corporate Promoter, 20 Microns Limited's account was identified for Asset Quality Review (AQR) and was, under AQR classified as NPA and whilst such classification was upgraded to standard account, the aforesaid classification as NPA has had a negative impact on business, reputation, financial conditions of 20 Microns Limited. Occurrence of such classification as NPA in the future may result in adverse impact on their business, reputation, financial conditions and results of operations thereby having a material adverse impact on our Company.

17. ***Our Corporate Promoter, 20 Microns Limited has extended corporate guarantees in relation to certain debt facilities availed by our Company. Revocation of any or all of these corporate guarantees may adversely affect our business operations and financial condition.***

Our Corporate Promoter, 20 Microns Limited has extended corporate guarantees in favour of certain banks with respect to various facilities availed by our Company from them. In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details kindly refer the chapter titled "*Financial Statements*" beginning on page 168 of this DRHP.

18. ***Our lenders have charge over our movable and immovable properties including the property where our Company proposes to set up its new project in respect of finance availed by us.***

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties including the property where our Company proposes to set up its new project. The total amount outstanding and payable by us

as secured loan as on December 31, 2017 was ₹ 377.51 Lakh. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information, kindly refer the chapter titled “*Financial Indebtedness*” beginning on page 238 of this DRHP.

**19. *Our loan agreements with various lenders have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations.***

We have entered into agreements for short term and long term borrowings with certain lenders. As on December 31, 2017, an aggregate of ₹ 245.62 Lakh as working capital facilities and ₹ 131.89 Lakh as term loans availed from banks. The credit facilities availed by our Company are secured by way of mortgage of fixed assets, hypothecation of current assets (both present and future), and corporate guarantees given by our Corporate Promoter, 20 Microns Limited. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to the Company may be recalled with penal interest. This could severely affect our operations and financial condition. In addition to the above, our loan documentation includes certain conditions and covenants that require us to obtain consents from the aforesaid banks prior to carrying out certain activities like entering into any amalgamation, demerger, merger and corporate reconstruction, changing our management and operating structure, making any fresh borrowings or creating fresh charges on assets. Failure or delay in obtaining such consents can have significant consequences on our capacity to expand and therefore adversely affect our business and operations. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by the lending banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility, which may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed / enhanced / cancelled / suspended / reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lending banks refuse to renew / enhance the credit facilities and / or cancels / suspends / reduces the said credit facilities and / or alters the terms and conditions to the derogation of our Company, our existing operations as well as our future business prospects and financial condition may be severely affected.

**20. *Unsecured loans taken by our Company, the Promoters, Group Companies or associates can be recalled by the lenders at any time.***

In past, our Company has borrowed unsecured loans from time to time for its operational needs. Our Company has availed unsecured loans from Banks and Financial Institutions, which are repayable on demand. As on December 31, 2017, the balance of the said unsecured loans is ₹ 274.91 Lakh. In such cases, our Company may be required in such a case to repay the entirety of the unsecured loans together with accrued interest and other outstanding amounts payable in relation to the facility. Our Company may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, cash flows and financial condition. Our Promoters, Group Companies and associates may also have availed of unsecured borrowings which may be recalled by their lenders at any time. If any of lenders of these unsecured borrowings seek the accelerated repayment of any such loan, it may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought, which in turn may impact our reputation and consequently our business.

**21. *Our Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company’s financial condition and results of operations.***

As on September 30, 2017, we have entered into related party transactions with our Promoters, Promoter Group, Directors and Group Companies. Whilst these related party transactions have been disclosed in our financial statements as per AS-18, and we believe that all such transactions have been conducted on an arms-length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For further details kindly refer to the chapter titled ‘*Financial Statements*’ beginning on page 168 of this DRHP.

22. ***Our Promoters and some of our Directors have interests in our Company other than the reimbursement of expenses and normal remuneration or benefits. Any such interests may result in a conflict of interest, which may have an adverse effect on our business.***

Our Promoters and some of our Directors being Mr. Chandresh S. Parikh, Mr. Atil C. Parikh and Mr. Rajesh C. Parikh may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares held by them, their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company, and to the extent of sitting fee payable to them for attending each of our Board and Committee meetings. Therefore, some of the above interests may conflict with the duties of these persons as Promoters / Directors of the Company. For further details, kindly refer the chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on pages 143 and 155, respectively of this DRHP.

23. ***Our success depends largely upon the knowledge and experience of our Promoters and other Key Managerial Personnel. Any loss of our key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

Our Promoters Mr. Chandresh Kumar Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh have a cumulative experience of more than four decades of experience in the field of Functional Fillers, Extenders and Specialty Chemicals. Our Company depends on the management skills and guidance of our Promoters for development of business strategies, monitoring its successful implementation and meeting future challenges. Our Promoters, along with our key managerial personnel, who form an integral part of our Company, have over the years built relations with suppliers, customers and other key stakeholders associated with our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our key managerial personnel are unable or unwilling to continue in his / her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. Further, since the demand for the key managerial personnel is very robust, in order to retain them, our Company may be required to offer them higher compensation packages by way of higher pay, more perquisites and stock options. This may adversely affect our business, financial condition and results of operations.

24. ***We have not entered into any long term or definitive agreements with our raw material suppliers. Our inability to obtain raw material in a timely manner, in sufficient quantities and / or at competitive prices could adversely affect our operations, financial condition and / or profitability.***

Our business is dependent on our suppliers for procuring raw material required for manufacturing our products. For the 6 months period ending September 30, 2017 and for the FY 2017, FY 2016 and FY 2015, our cost of material consumed amounted to 55%, 53%, 55% and 51%, respectively of our total operating sales for these periods respectively. Typically, we do not enter into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers on an ongoing basis. Therefore, there are no fixed terms and conditions on which we purchase our raw materials. Further, fluctuations in the price, availability and quality of raw materials used in our manufacturing process, could have a material adverse effect on cost of sales or our ability to meet customer demands with respect to pricing and quality. There can be no assurance that we will always be successful in our efforts to protect our business from the volatility of the market price of raw materials, and our business may be adversely affected by dramatic movements in the prices of raw materials. Discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and the quality of our products. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected. Further should there be any significant increases in prices of the raw materials used, and we are unable to pass on such increases in raw material prices to our customers or find alternative suppliers / sources for supply of raw materials at competitive prices, our business, operations and financial performance could be adversely affected. Further, such factors can also lead to delay in delivering our products to our customers in a timely manner or at all thereby exposing us to the risk of losing our customers or not obtaining repeat orders from them.

- 25. *We have not entered into any long term or definitive agreements with our customers. If our customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

We have not entered into any long term or definitive agreements with our customers, and instead rely on purchase orders to govern the volume, pricing and other terms of sales of our products. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Our customers do not, typically, place firm purchase orders until a short time before the products are required from us as a result of which, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production or sales. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Additionally, our customers have high and exacting standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

- 26. *Our manufacturing operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.***

Presently, we have 3 manufacturing facilities. We also carry out some mining operations from our mine located in Gujarat. Any local, social unrest, natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business, financial position and results of our operations. Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, power supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our manufacturing facilities for a significant period of time, it would have a material adverse effect on our business, results of operations and financial condition. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business. Further, the spiraling cost of living around our manufacturing facilities may push our manpower costs higher, which may reduce our margin and cost competitiveness.

- 27. *Underutilization of capacity of our Existing Facilities or Proposed Facility may adversely affect our business, results of operations and financial condition.***

We cannot assure that we shall be able to utilize our existing or proposed manufacturing facilities to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition. Even use of the proposed production capacity is subject to several variables like availability of raw material, power, water, proper working of machinery, orders on hand, supply / demand and manpower.

While at present there is no underutilization of capacity of our Existing Facilities, there cannot be any assurance that the proposed capacity would be utilized to its full extent.

- 28. *We may not be able to correctly assess the demand for our products, which may adversely affect our business, financial condition and results of operations.***

We may not be able to correctly assess the demand for our products in the market, domestic as well as international. Historically, we have been able to maintain adequate inventory levels and have been able to deliver our products in the markets as per the prevailing demand. However, we cannot assure you that in the future we will be able to correctly assess the demand for our products and maintain adequate inventory levels. Any misjudgement in assessing demand could result in either high inventory levels or low inventory levels. High inventory levels could disturb our working capital cycle and low inventory levels could hinder our process of adequately catering to the prevailing demand thus impacting our business, financial condition and results of operations.



- 29. *We operate in a competitive business environment, both globally and domestically. Competition from existing players and new entrants and consequent pricing pressures may adversely affect our business, financial condition and results of operations.***

We operate in a competitive business environment. Growing competition in the domestic and / or international markets may subject us to pricing pressures and require us to reduce the prices of our products in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. While we are focused on research and development to develop innovative and cost effective products, and to broaden our product range, in the event our competitors harness better process technology or improved process yield or are able to source raw materials at more competitive prices, and are therefore able to create new products or substitutes for our products at competitive prices, we may not be able to maintain our growth rate and revenues and profitability may decline. Some of our competitors may be increasing their capacities and targeting the same products or applications as us. Some of our competitors are global companies that have larger technical and financial resources and broad customer bases needed to bring competitive solutions to the market. Such companies may use these advantages to offer solutions that are perceived to be as effective as ours at a lower price. They may also develop different products to compete with our current solutions and respond more quickly and effectively than we do to new or changing opportunities, applications, technologies, standards, or client requirements. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. For details concerning our competition, kindly see the chapter titled “Our Business” beginning on page 112 of this DRHP.

- 30. *If we do not successfully develop new and innovative products, or if the commercialization of such products is delayed, our business, financial conditions and the results of operations may be adversely affected.***

Our present and future results of operations depend upon our ability to successfully develop new and innovative products. We believe that historically we have been able to successfully commercialise our products and solutions without significant delays and over the years, we have successfully developed and commercialized more than 170 products. However, there can be no assurance that we will be able to maintain this record in the future as well, and we may face undue delays in developing and subsequently commercializing new products and solutions. Such delays may adversely affect our business, financial conditions and the results of operations.

- 31. *Any adverse events in the end use industries which we cater to could have a material impact on the performance of our Company.***

We cater primarily to the minerals industry which is highly regulated and require us to maintain stringent and restrictive norms in relation to quality standards. Further, the entry barriers in regulated markets in which we currently operate and seek to expand are very high and have extensive regulations pertaining to research, testing, and manufacturing, selling and marketing of products. Further, any change in government policy or introduction of new legislation or amendment to the existing regulation or any adverse event as a result of which our customers are adversely affected, or we have to incur additional compliance costs, will have a material adverse impact on our business, financial conditions and results of operations.

- 32. *Any delays or defaults in receipt of payments or dues from our customers could result in a reduction of our profits.***

We regularly commit resources to orders / assignments prior to receiving advances or other payments from our clients. We may be subject to working capital shortages due to delays or defaults in receipt of payments or dues from such customers. If our customers default in their payments or if an order / assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition and results of operations.

- 33. *We are subject to product liability claims with respect to quality and defects in our products in India as well as in other countries where we sell our products. Any claims arising from such liabilities may harm our reputation, require us to incur substantial costs and / or have an adverse impact on our business, financial conditions and results of operations.***

We are subject to product liability claims with respect to quality and defects in our products in India as well as in other countries where we sell our products. Our clients will be required to comply with certain

quality standards for the products supplied by them to their customers and in turn, our Company may be required to enable them to meet certain quality requirements prescribed by our clients. In case we are unable to provide the prescribed quality standards which enables our clients to meet the quality standards prescribed by them we may not be able to retain such clients which could result in substantial business losses. Defects, if any, in our products could lead to rejection of supplied products and consequential replacement liability. In the event, our Company fails to maintain the quality of its products or if there is any major defect in our products in future, we could be made liable to the customers and the same could consequently lead to a negative publicity against our Company thereby affecting our brand value, reputation, business, results of operations and financial condition. Management resources could also be diverted away from our business towards defending such claims. In the event, there are any liabilities arising from such claims, our business, financial performance and results of operations may be adversely affected. We cannot assure you that no such claims will be brought against us in the future or that such claims will be settled in our favour. Any such successful claims against us could adversely affect our business, financial condition and results of operations.

34. ***If we are unable to adapt to technological changes coupled with changes in market conditions, demands and requirements of our customers, or to identify and understand evolving industry preferences and manufacture new products to meet our customers' demands, our business and results of operations may be adversely affected.***

Our future success will depend in part on our ability to respond to technological advances and changes in market conditions, demands and the requirements of our customers and also changes in the businesses in which we operate, on a cost-effective and timely basis. Any advancements, changes or up gradation in the present technology being used by us may render the present technology obsolete and may require us to incur additional capital expenditure for upgrading our facilities and equipment so as to compete with our competitors on a global scale. To compete effectively in the industry, we must be able to develop new products to meet our customers' demand in a timely manner. In the event that we are not able to respond to such technological advancements or changes and demands of our customers in a timely manner, we may become less competitive thereby adversely affecting our business, results of operations and financial condition.

35. ***Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.***

Our revenues and profits are dependent on several factors such as developing new products, retaining key managerial personnel, complying with various regulatory requirements, repeat orders from our clients, managing costs and expenses, maintaining adequate inventory levels and general market conditions. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and financial condition. Further, although we have consistently paid dividends in the past, our ability to pay dividends will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, and various other factors and there can be no assurance that we shall have distributable funds or that we will declare dividends in the future as well.

36. ***Our mining operations are sensitive to seasonal changes.***

Our mining operations may be adversely affected by difficult working conditions due to high temperatures during summer months and rain during monsoon that restrict our ability to carry on mining activities and fully utilize our resources, particularly during the second quarter of our fiscal year. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced. Although such adverse weather conditions do not typically have a material impact on our revenue from operations, abnormally hot summer months or rainy monsoon could have a material impact.

37. ***Our business is subject to a variety of safety, health and environmental laws, labour, and workplace related laws and regulations. Any failure on our part to comply with these applicable laws and regulations could have an adverse effect on our operations and financial condition.***

Our Company is subject to various central, state and local environmental and safety laws, concerning issues such as harm caused by air or wastewater emission and contamination. While we believe that our facilities are currently in compliance in all material respects with applicable environmental laws, legislations and regulatory requirements, additional costs and liabilities related to compliance with these laws and regulations may impact our business. Further, any changes in the applicable laws and regulations in the future may create substantial environmental compliance or remediation liabilities and costs, including monetary fines, criminal penalties on our Company's officers for violation of applicable

laws, or imposition of restrictions on our Company's operations (which may include temporary suspension or closure of its operations). We may also, in the future, become involved in legal or regulatory proceedings, in relation to which we may be required to comply with more rigorous environmental or safety standards, or to incur significant capital and operating expenses and / or remedial costs. These factors may adversely affect our revenues and operations.

Since we need labour to run our manufacturing units, our Company is subject to variety of workplace related laws and regulations. We are required to maintain records and also file periodic returns in relation to the same. Although, we believe that we have complied with all the applicable laws and regulations, in the event of any breach of such laws and regulations, we may be subject to penal consequences which would adversely affect our operations and financial condition.

- 38. *We rely extensively on our systems, including quality assurance and quality control systems to maintain the quality of our products. Any failure of these systems could adversely affect our business, financial condition and results of operations.***

Over the years, we have developed adequate and stringent quality assurance and quality control systems across our manufacturing facilities to maintain the quality of our products. However, any failure of such systems or any failure on the part of our personnel in correctly implementing these systems could adversely affect our output and in turn may affect our business operations and financial conditions. Further, it may also lead to negative publicity for our Company, if the quality of our products is compromised due to the aforesaid reasons.

- 39. *Our inability to procure and / or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, third party liability claims, loss-in-transit for our products, accidents and natural disasters. At present our insurance policies provide for coverage against risk including loss of money, burglary, fire and marine cargo. However, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. While we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks, specifically risks such as loss of profits, and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If we suffer a significant uninsured loss or if the insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Further, there is no assurance that the insurance premium payable by us will be commercially viable or justifiable. For further details on the insurance policies availed by us, kindly refer to the paragraph titled "Insurance" on page 128 in the chapter titled "Our Business" beginning on page 112 of this DRHP.

- 40. *Our future expansion plans are subject to the risk of cost and time overrun, which may have a material adverse effect on our business, results of operations and financial condition.***

Our future expansion plans may be subject to delays and other risks, including, among other things, contractor performance shortfalls, unforeseen engineering or technical problems, delays in procuring equipment, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents, any of which could result in delays, cost overruns or the termination of the project and / or a breach of the financial covenants imposed by our lenders. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays can be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions.

- 41. *We may face difficulties in implementing our strategies including our expansion and diversification plans of entering new geographical areas, development and commercialization of new products.***

We may face difficulties in implementing our strategies including our expansion and diversification plans of entering into new geographical areas and development and commercialization of new products due to various factors such as entry barriers, stringent rules and regulations, fierce competition in the new markets, inadequacy of funds for expansion, high cost of debt that may be required for expansion and diversification. Implementation of our strategies may pose significant challenges to our administrative, financial and operational resources and additional risks that our Company may not be able to foresee. Failure to successfully implement some or all of our key strategic initiatives in an effective and timely

manner may adversely affect our future business prospects. For further details on our business strategies, kindly see the chapter titled “Our Business” beginning on page 112 of this DRHP.

- 42. *The Company is yet to place orders for 100% of its plant & machinery for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machinery may delay our implementation schedule and may also lead to increase in price of these plant & machinery, further affecting our revenue and profitability.***

As on date of the DRHP, we have not placed orders for plant & machinery for our proposed object. Further, we have identified the type of plant and machinery required to be bought for our Proposed Facility, and for which orders are yet to be placed which are amounting to ₹ 1,564.95 Lakh as detailed in the “Objects of the Issue” beginning on page 75 of this DRHP. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of equipments, among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse effect on our business, results of operations and financial condition. For further details, kindly refer to the chapter titled “Objects of the Issue” beginning on page 75 of this DRHP.

- 43. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since the Issue size is less than ₹ 10,000 Lakh, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

- 44. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.***

Our Promoters’ average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, kindly refer to the section titled “Risk Factors – Prominent Notes” on page 35 of this DRHP.

- 45. *Our Company has allotted Equity Shares during the preceding one (1) year from the date of this DRHP which may be lower than the Issue Price.***

In the last 12 (twelve) months, we have, vide board resolution dated March 16, 2017, issued and allotted on a preferential basis 9,00,000 equity shares of face value of ₹ 10/- each at a premium of ₹ 14/- per share, which may be lower than the Issue Price, to our Corporate Promoter, 20 Microns Limited. For further details in respect of the aforesaid allotment of equity shares, kindly refer to the chapter titled “Capital Structure” beginning on page 63 of this DRHP.

- 46. *Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the DRHP would be subject to certain compliance requirements, including prior shareholders’ approval.***

We propose to utilise the Net Proceeds for setting up of our proposed manufacturing facility and other general corporate purposes. For further details of the proposed objects of the Issue, kindly refer to the chapter “Objects of the Issue” beginning on page 75.

In case of any exigencies arising out of business conditions, economic conditions, competition or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure or fund which expenditure cannot be determined with certainty as on the date of this DRHP. In terms of Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the DRHP without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in the DRHP, we cannot assure that we will 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 would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

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

**47. *Our Promoters and Promoter Group will continue to retain majority control over the Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.***

Upon completion of the Issue, our Promoters and Promoter Group, will continue to hold [●] % of the post-Issue Equity Share capital of the Company. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, relating to any sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

**48. *We have referred to the data derived from industry report commissioned from the CRISIL Research, a division of CRISIL Limited.***

We have retained the services of an independent third party research agency, CRISIL Research, a division of CRISIL Limited, to prepare a report titled "An overview of India's specialty chemicals industry – February 2018", excerpts from which have been included in this DRHP. The report prepared by CRISIL Research is subject to various limitations and based upon certain assumptions that are subjective in nature. There can be no assurance that the assumptions adopted by this third party agency for the purposes of preparing their research report will prove to be accurate. If any of these assumptions are incorrect, the understanding of our industry could be materially different from that set forth in the reports.

## **EXTERNAL RISK FACTORS**

**49. *There is no existing market for our Equity Shares and there can be no assurance that such a market will develop in the future to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. Our Company, in consultation with the BRLM, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the BSE, NSE and securities markets elsewhere in the world.

- 50. *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 will be determined by book building method. The price will be based on numerous factors (For further information, kindly refer chapter titled “Basis for Issue Price” beginning on page 81 of this DRHP) 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

- 51. *The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the apparel industry; adverse media reports on us or the Indian apparel industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

- 52. *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

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

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

- 54. *Any future issuance or sale of the Equity Shares by any existing shareholder could significantly affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

- 55. *Our future fund requirements, in the form of further 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 further issue of Equity 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 favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may



substantially increase our fixed interest / dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

**56. *Terrorist attacks, civil disturbances, wars, regional and communal conflicts, natural disasters, fuel shortages, epidemics and labour strikes in India and other regions in which we operate may have a material adverse effect on our Company's business and on the market for securities in India.***

India has experienced civil and social unrest, terrorist attacks and other acts of violence in the last few years. Similarly, USA, from where we conduct some of our operations, has also experienced terrorist attacks in the past. If such tensions occur in India, USA or in the other jurisdictions in which we operate, leading to overall political and economic instability, it could adversely affect our business, future financial performance, cash flows and the market price of our Equity Shares. Additionally, any of these events could lower confidence in India's economy and create a perception that investments in companies with Indian operations involve a high degree of risk, which could have a material adverse effect on the price of the Equity Shares. Any discontinuation of business or loss of profits due to such extraneous factors may affect our operations. Further, our operations are dependent on our ability to protect our facilities and infrastructure from fire, explosions, floods, typhoons, earthquakes, power failures and other similar events. India has experienced natural disasters such as earthquakes, a tsunami, floods and droughts in the past few years. In addition, we can give no assurance that the insurance coverage we maintain for such risks will adequately compensate it for all damage and economic losses from natural or man-made catastrophes. The occurrence of a natural disaster of a significant scale could cause interruptions in our operations.

**57. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Kindly refer to “Key Industry Regulations and Policies” on page 129 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and / or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

Further, on November 8, 2016 the Department of Economic Affairs, Ministry of Finance, Government of India through a notification declared that bank notes of denominations of the series of the value of five hundred rupees and one thousand rupees shall cease to be legal tender. This new regulation could result in

reduction of liquidity in the economy and may have an impact on various sectors, which may include sectors such as home and personal care products. As a result, such changes or interpretations could have an adverse effect on our business and our financial results. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

**58. *A slowdown in economic growth in India and globally could cause our business to suffer.***

We are highly dependent on prevailing economic conditions in India and globally and our results of operations are significantly affected by factors influencing the Indian and global economy. A slowdown in the economy and per capita income could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian and global economy and per capita income, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing;
- prevailing income conditions among Indian and global consumers and corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing regional or global economic conditions; and
- Other significant regulatory or economic developments in or affecting India and other countries.

Any slowdown in the Indian or global economy and per capita income or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. Specifically, it has been seen that in our industry, that general correlation exists between demand for minerals and per capita income, and therefore any slowdown in per capita income would adversely affect the Indian mineral market, as well as our business. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

**59. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition. India's physical infrastructure is in a developing phase, as compared to that of many developed nations.***

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

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

## PROMINENT NOTES:

1. **Bidders are advised to contact the Company Secretary and Compliance Officer and / 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 Equity Shares in the respective beneficiary account or non-receipt of funds by electronic mode.**

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, the Bid amount paid on submission of the Bid cum Application Form 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 if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case maybe, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker, Depository Participant, RTA, as the case may be, where the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

2. Initial Public Issue of [●] Equity Shares of ₹ 10/- each of the Company for cash at a price of ₹ [●]/- per Equity Share (including a share premium of ₹ [●]/- per Equity Share) aggregating up to ₹ 2,100 Lakh (the "Issue) of which [●] Equity Shares of face value of ₹10/- each will be reserved for subscription Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of [●] Equity Shares of face value of ₹ 10/- each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post Issue paid up equity share capital of the Company.
3. Our Company's net worth as at September 30, 2017, as per our restated financial information was ₹1,924.09 Lakh. Our Company's net worth as at March 31, 2017, as per our restated financial information was ₹1,801.84 Lakh. For further details, kindly refer to the section titled "Financial Information" beginning on page 168 of this DRHP.
4. The average cost of acquisition of Equity Shares by our Promoters, Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh, Mr. Atil C. Parikh and 20 Microns Limited is ₹15.00, ₹ 10.00, ₹ 10.00 and ₹ 14.19 per Equity Share, respectively.

For further details on the allotment of Equity Shares to our Promoters, kindly refer to the chapter titled "Capital Structure" beginning on page 63 of this DRHP.

5. Our Company has entered into various related party transactions for FY 2017 and the 6 months period ended September 30, 2017. For details on related party transactions, kindly refer to the section titled "Financial Information" beginning on page 168 of this DRHP.
6. Except as disclosed in chapters titled "Financial Statements – Annexure XXXVIII –Statement of Related party disclosures, as restated", "Our Promoters and Promoter Group", "Our Group Companies" and "Capital Structure" on pages 223, 155, 163 and 63 respectively of this DRHP, none of our Group Companies have any business or other interest, other than to the extent of Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
7. The net asset value per Equity Share as per the restated financial information as at September 30, 2017 is ₹ 21.45 and as at March 31, 2017 is ₹ 20.09, respectively
8. Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
9. 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 DRHP.

10. There has been no change in the name of our Company in the last 3 years immediately preceding the date of this DRHP. For details in change of registered office, kindly refer the chapter titled “*History and Corporate Structure*” on page 139 of this DRHP.

## SECTION III – INTRODUCTION

### SUMMARY OF OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports that have been prepared by CRISIL Limited (“CRISIL”) that have the following disclaimer:

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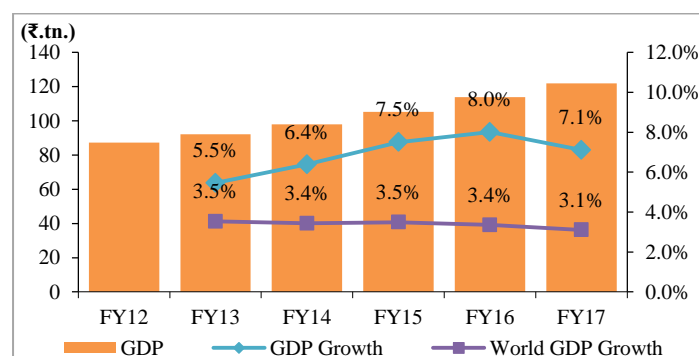
The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications that have been relied upon may alter their assumptions and may change their forecasts. We or the BRLM may not be able to update or alter such data immediately or at all. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect or may not be consistent across sources. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

#### Overview of a macroeconomic scenario in India

##### Review and outlook on GDP growth

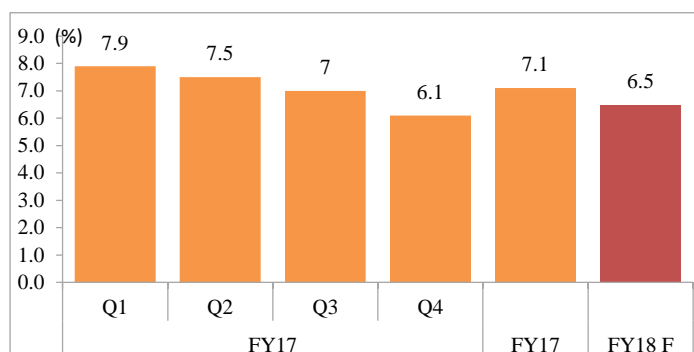
India adopted a new base year (FY12) for calculating the gross domestic product (GDP) based on which the GDP in nominal terms shot up from Rs 87 trillion in fiscal 2012 to Rs 122 trillion in fiscal 2017, representing a compound annual growth rate (CAGR) of 6.9%. As per the Central Statistics Office (CSO), India’s GDP grew 7.1% in fiscal 2017, well above the world average of 3.1% but down from 8% in fiscal 2016. One of the major reasons for this was the impact of demonetisation.

##### (a) Real GDP growth (new GDP series)



Source: CSO, CRISIL Research

**(b) Real GDP growth (% y-o-y)**

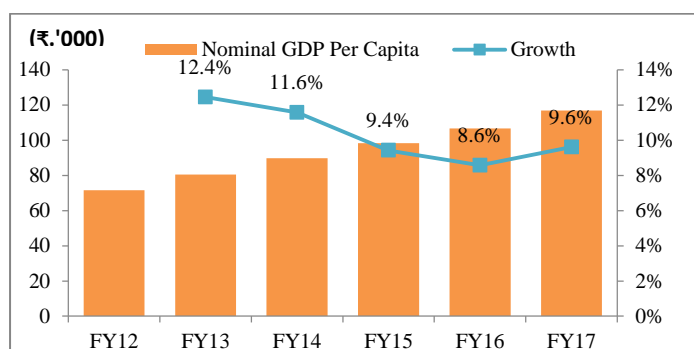


Source: CSO, CRISIL Research

**(c) GDP grew 6.9% CAGR over past five years**

India adopted a new base year (FY12) to calculate GDP, based on which absolute GDP shot up to Rs 122 trillion in 2016-17 from Rs 87 trillion in 2011-12; representing a 6.9% CAGR. The CSO released the GDP estimates for the fourth quarter of fiscal 2017 and for the entire fiscal year at the end of May 2017. This was the first GDP release incorporating the new fiscal 2012-based Wholesale Price Index (WPI) and Index of Industrial Production (IIP) series. Contrary to an across-the-board expectation of a rise in real GDP growth for fiscal 2017 on account of a higher share of IIP and lower WPI in the new series, real GDP growth fell to 7.1% because of the impact of demonetisation and the fact that the deflator in the fourth quarter had risen sharply. Different components of GDP in fiscal 2017, too, saw changes in their growth estimates on the demand as well as supply sides.

**(d) Nominal per capita GDP growth**



Source: CSO, CRISIL Research

Private consumption is the largest contributor to GDP (58%). The nominal per capita GDP growth, which is used as a proxy for income growth, rose to 9.6% on-year in fiscal 2017. Correspondingly, the nominal per capital private final consumption expenditure, which is used as a proxy for consumer spending, also grew 11.2% on-year despite demonetisation. This indicated a pick-up in consumer demand, after consecutive years of a decline in spending growth.

**(e) Supply side real GDP growth (% y-o-y)**

At basic prices	FY13	FY14	FY15	FY16	FY17	FY18 AE
Agriculture and allied	1.5	5.6	-0.3	0.7	4.9	2.1
Industry	3.4	4.2	6.9	8.8	5.6	4.4
o/w Manufacturing	5.9	5.1	7.5	10.8	7.9	4.6
Mining	-0.6	3.1	14.7	10.5	1.8	2.9
Services	8.3	7.7	9.5	9.7	7.7	8.3

Source: CSO, CRISIL Research

Note: AE - Advanced Estimates

**(f) Demand side real GDP growth (% y-o-y)**

At market prices	FY13	FY14	FY15	FY16	FY17	FY18 F
Private consumption	5.3	7.4	6.8	6.1	8.7	6.3
Government consumption	0.7	0.6	9.4	3.3	20.8	8.5
Fixed investment	4.8	1.8	4.1	6.5	2.4	4.5
Exports	6.8	7.8	1.7	-5.3	4.5	4.5
Imports	6	-8.1	0.8	-5.9	2.3	10.0

Source: CSO, CRISIL Research

Real GDP growth is estimated to slow down to 6.5% in fiscal 2018 from 7.1% a year ago. While consumption would continue to drive growth, investment is expected to rise slowly. Private consumption is estimated to grow at 6.3% over a high base of 8.7% and remain the largest contributor to GDP (55.7% share). Interest rate reduction, pent-up demonetisation demand, pay commission implementation by the states and moderate inflation are the factors supporting private consumption. Gross fixed capital formation or new investments are estimated to grow 4.5% this fiscal, up from 2.4% a year ago, on expectations of some push from the government capex and FDI investments. That said, share of investments in GDP is estimated to decline to 29% from 29.5% in last fiscal, suggesting that under-utilised capacities in manufacturing and stretched corporate balance sheets continue to deter private capex revival. Companies prefer to use their profits to pare down debt rather than invest in new or existing ventures.

Gross value-added (GVA) growth, which measures the economy from producer or supply side, also indicated a similar trend and grew at a slower pace to 6.1% this fiscal from 6.6% a year ago. Here, the services sector acted as the anchor, as both agriculture and industry saw their growth declining significantly. Except for the high base of last fiscal, agricultural growth at 2.1% seems to be on the lower side, given that both Kharif production and Rabi sowing are only marginally lower compared with last fiscal. Manufacturing growth slowed down to 4.6% from 7.9% on account of disruptions caused by GST implementation and the lingering effects of demonetisation. Services sector, on the other hand, displayed a broad-based improvement, with growth improving to 8.3% from 7.7%. Both, trade, hotels, transport, communication and services related to broadcasting and financial services, real estate and professional services are estimated to grow faster this fiscal.

It is important to note that the government believes robust tax collections this fiscal, despite the recent episode of a slowdown in GST collections. Net taxes on products are estimated to grow at 10.9% --, increasing their share in GDP to 8.6% this fiscal from 8.2% -- broadly suggesting an improved tax base and or compliance in the new taxation regime.

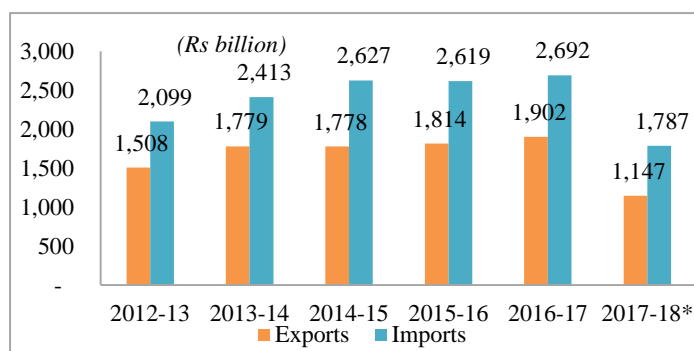
**Classification of chemicals industry in India**

The chemicals industry is the backbone of industrial and agricultural development in the country. It provides raw material, intermediate, and process chemicals to several downstream industries, such as textiles, paper, paints and varnish, soaps, detergents, pharmaceuticals, agro chemicals, textiles, perfumes, toiletries, etc. The Indian chemicals industry comprises organic, inorganic, agro, specialty, chlor-alkalis, dye stuffs, and dye intermediates.

Alkali chemicals	Inorganic chemicals	Organic chemicals	Pesticides & Insecticides	Dyes & dye stuffs	Specialty chemicals
<ul style="list-style-type: none"><li>• Soda ash</li><li>• Caustic soda</li><li>• Liquid chlorine</li></ul>	<ul style="list-style-type: none"><li>• Aluminium Fluoride</li><li>• Calcium Carbide</li><li>• Carbon black</li><li>• Potassium Chlorate</li><li>• Titanium Dioxide</li><li>• Red Phosphorous</li><li>• Others</li></ul>	<ul style="list-style-type: none"><li>• Petrochemicals</li><li>• Acetone</li><li>• Phenol</li><li>• Methanol</li><li>• LAB</li><li>• Others</li></ul>	<ul style="list-style-type: none"><li>• Dichlorodi-phenyltrichloroethane (DDT)</li><li>• Malathion</li><li>• Parathion</li><li>• Ethicon</li><li>• Endosulphan</li><li>• Phosalone</li><li>• Phorate</li><li>• Acephate</li><li>• Fenvalerate</li></ul>	<ul style="list-style-type: none"><li>• AzO dyes</li><li>• Disperse dyes</li><li>• Fast colour bases</li><li>• Ingrain dyes</li><li>• Naphthols</li><li>• Vat dyes</li><li>• Reactive dyes</li><li>• Pigment emulsion</li><li>• Sulphur dyes</li><li>• Other dyes</li></ul>	<ul style="list-style-type: none"><li>• Agrochemicals</li><li>• Water treatment &amp; construction chemicals</li><li>• Surfactants</li><li>• Textile chemicals</li><li>• Polymers additives</li><li>• Personal care ingredients</li><li>• Flavours &amp; fragrances</li></ul>

## Chemicals industry has seen higher imports vis-à-vis exports during 2012-13 to 2017-18

### Trend in exports and imports during 2012-13 to 2017-18



Note: Data for 2017-18 is from April to October 2017.

Source: CRISIL Research

Over the 5-year period from 2012-13 to 2016-17, each year, the chemicals industry has witnessed higher imports vis-à-vis exports. During the corresponding period, imports (at 6.4% CAGR) have grown at a higher pace compared to exports (at 6% CAGR). However, exports form a significant share in the overall revenue of the chemical industry, accounting for ~20% of the market size in 2016-17. The first seven months of 2017-18 have witnessed exports and imports worth Rs 1,147 billion and Rs 1,787 billion – both, higher when compared to corresponding period during 2016-17.

### Key properties of the chemicals

#### (A) Polyethylene wax

There are various methods for producing polyethylene wax. Polyethylene wax can be made by directly polymerising ethylene under specific conditions to control molecular weight. Another method involves breaking down high molecular weight polyethylene into lower molecular weight fractions. A third method involves separation of the low molecular weight fraction from high molecular weight polymer.

##### (a) Properties

- **Low strength:** Polyethylene showcases low strength, hardness and rigidity; however, it has high ductility and impact strength. It also has low friction.
- **Low melting point:** Its melting point is 80-120 degree Celsius and it is useful for commercial purposes only below this point.
- **High chemical resistance:** Most of the grades of polyethylene have high resistance to chemical reactions, and are not affected much by strong acids or bases.
- **Good electrical insulator:** It offers good tracking resistance, but develops electrostatic charges easily, which can be reduced using other materials such as graphite and carbon black.

#### (B) Attapulgit

It is a naturally occurring, crystalline hydrated magnesium alumino-silicate with unique colloidal and sorptive properties. Fully hydrated attapulgit grades thicken liquids without swelling. The attapulgit thickeners effectively form thixotropic colloidal gels in ionic and non-ionic aqueous solutions. They also develop thixotropic gels in most organic liquids with thickening and / or suspension properties when dispersed with various cationic or non-ionic surfactants.

##### (a) Properties

- **Provide sag resistance and spreadability:** Thixotropy allows materials such as paint, adhesive, caulk, sealant or ink to spread easily when they are rolled, sprayed or brushed, and then stiffen at a controlled rate. This aids in prevention of sags and drips, giving them desirable levelling properties.



- **Viscosity control:** All attapulgite products provide thixotropic viscosity in liquid systems and are not impacted by extreme changes in pH or temperatures. Thixotropy with attapulgite thickeners is developed by charge attraction on the particle surface, hydrogen bonding and the entrapment of liquid within a chain-like network. These phenomena allow attapulgite thickeners to form a gel when at rest, and yet become thin when agitation or shear is applied. When shear is slowed or stopped, viscosity increases gradually as a new structure forms.

#### (b) Applications

- **Paints and coatings:** Attapulgite is used in latex and other general waterborne formulations. Other grades, which contain less residue, are used in more demanding aqueous and solvent-borne coatings, such as primers, topcoats, maintenance coatings, marine finishes, semi-gloss and gloss enamels. Product works as co-thickeners with cellulosic, associative and alkali swellable thickeners.
- **Plastics:** Attapulgite controls viscosity and gives sag resistance to vinyl plastisol and epoxy systems. Thixotropic properties allow easy flow for application and prevent sag upon deposition. Attapulgite prevents settling and "float-out" in lightweight filler compounds.
- **Suspension / thickening applications:** Attapulgite products are effective suspending agents for particulate matter in ionic, non-ionic and organic liquids. They are ideal for suspending pigment slurries, refractory coatings, ceramic slurries, liquid soaps and other applications where limited mixing capabilities exist. Additionally, Attapulgite is a highly effective gellant and thixotrope in aqueous and organic systems. Industrial cleaners, paint remover, mineral oils and many other liquids can be thickened with attapulgite products.
- **Adhesives and sealants:** Attapulgite thickeners provide superior thickening, sag resistance and ease of application, especially in highly filled systems.
- **Tape joint compounds:** Attapulgite provides for smooth, scratch-free application in these thick films, as well as for sag resistance, viscosity control, spreadability and excellent feathering at low cost.
- **Construction:** Attapulgite can be used as a cellulosic thickener replacement in mortars in grouts. Their thixotropic properties also provide excellent pumpability and anti-sag properties in shotcrete applications.
- **Agriculture:** Attapulgite is used to stabilise and suspend ingredients in wet flowable pesticide formulations. Attapulgite may also be used in liquid animal feeds and suspension fertilisers.

#### (C) Bentonite

Bentonite is a material derived from the alteration, over geological time period, of glassy material emitted from volcanoes, or from the alteration of silicon bearing rocks such as granite and basalt. Bentonites are of two types: sodium bentonite and calcium bentonite.

##### (a) Properties

- **Water absorption and swelling:** Depending on the type of bentonite, it has different absorption level. In the case of sodium bentonite, water is able to penetrate through the platelets, forcing them apart, thus causing them to swell. In the case of calcium bentonite, the strong cation of (Ca<sup>2+</sup>) does not permit water to enter the platelets, and thus the platelets flake off instead of swelling.
- **Viscosity of aqueous suspensions:** When bentonite is dispersed in water, it forms a colloidal suspension with high viscosity. At high concentrations, these colloidal suspensions exhibit properties of a gel. This happens because of water penetrating into the platelet interlayers.

##### (b) Applications

- **Drilling:** It is used as a mud constituent for oil well drilling. Its role is mainly to seal the borehole walls, to remove the drill cuttings and to lubricate the cutting head.
- **Cosmetics:** Personal care products such mud packs, sunburn paints, baby and face powders, and face creams may contain bentonite.

- **Paints, dyes and polishes:** Due to its thixotropic properties, bentonite and organoclays function as a thickening and / or suspension agent in varnishes, and in water and solvent paints. Their adsorption property is utilised for the finishing of indigo dyeing cloth and in dyes (lacquers for paints & wallpapers).

#### (D) Organoclay

Organoclay is an organically modified phyllosilicate (Bentonite), derived from a naturally occurring clay mineral. By exchanging the original interlayer, cations for organo cations (typically quaternary alkyl ammonium ions) an organophilic surface is generated, consisting of covalently linked organic moieties. The lamellar structure remains analogous to the parent phyllosilicate. The main component of organoclay is bentonite, a chemically altered volcanic ash that primarily consists of the clay mineral montmorillonite.

##### (a) Properties

- **Gelling due to dissolution:** When organoclay is added to an organic solvent and subjected to shear, the quaternary ammonium ions become dissolved. The force of dissolution keeps the clay platelets in suspension, dispersing the organoclay and causing gelling.
- **Color and form:** Organoclay is light cream in colour and is available in a fine powder form.

##### (b) Applications

- **Paints and coatings:** Organoclay prevents pigment settling and sagging on vertical surface. It helps ensure that proper thickness of the coating is applied. It also ensures good levelling and removal of brush marks. It provides water resistance and structure reinforcement with no adverse effect on adhesion and solvent release. Organoclay is used in architectural paints viz. undercoats, primers, semi-gloss, gloss and wood stains as well as in industrial coatings for stoving enamels, epoxies, esters, urethanes, vinyls, acrylics, anti-corrosive, automotive, bituminous, coil, road marking, car underbody coatings, nitrocellulose and chlorinated rubber.
- **Printing inks:** Organoclay helps in adjusting the consistency of printing inks to the desired values, avoiding pigment sedimentation, providing good colour distribution, obtaining desired film thickness, reducing misting, control of track, water pick up and dot gain control. They are largely used in letterpress, lithographic and offset ink.
- **Lubricating greases:** Organoclay provides working stability and water resistance to certain greases. Such greases are typically used for lubrication in foundries, mills and on high-speed conveyors. Greases can also be manufactured for other industries such as agriculture, aviation, automotive and mining.
- **Cosmetics:** Organoclay is widely used in cosmetics like nail lacquers, lipsticks and eye shadows on account of its ability to retain colour. Tests by cosmetic manufacturers have proven that it is a non-irritant for both skin and eyes.
- **Food contact applications:** Organoclay is used as a thixotropic agent in coatings that come into contact with food. They are also used as fillers in plastic food containers.
- **Drilling fluids:** Organoclays are used to suspend heavy sealing agents as well as carry cuttings back to the surface. They also play an important role in lubricating the drill. Organoclay also finds application in frac fluids, where their gelling ability is used to seal rock fractures in the bore-hole.
- **Nanofiller for plastic:** Because of their particle size and chemical structure, highly purified organoclays have the unique ability to be able to function in a wide range of monomers and polymers. This leads to an improvement in modular strength without sacrificing impact resistance, gas barrier properties, fire retardation and heat resistance. The combination of these improved properties, convenient processing and relative low costs make nano composites a tremendous commercial opportunity as they are superior alternatives to the current fillers used in polymer systems.

#### (E) Diatomaceous earth (DE)

Diatomaceous (siliceous) earth is made from the fossilised remains of tiny, aquatic organisms called diatoms. Their skeletons are made of a natural substance called silica. Silicon, a component of silica, usually reacts with oxygen and water to form silicon dioxide, which occurs in two forms: crystalline and amorphous. Most

diatomaceous (siliceous) earth is made of amorphous silicon dioxide. However, it can contain very low levels of crystalline silicon dioxide.

#### **(a) Properties**

**High porosity, low density, and high surface area:** Siliceous earth is an inorganic material, which has chemical composition of >80 of amorphous of Silica. This amorphous phase is very rare and used widely in industrial scale because of its high porosity, fine particle size, very low density and high surface area. Rajasthan is the only state in India that produces this mineral. Due to its chemical inertness, high porosity, high surface area, and morphology, DE is uniquely suited for a wide range of functional mineral additive applications.

#### **(b) Applications**

- **Ceramic industry:** DE is widely used as a filler and filter, heat and sound resistant material and in ceramic industry.
- **Food and medicine:** DE is used in filtration and cleaning of vegetable oils and animal fat, and manufacture of medicines.
- **Agri-products:** It is used as a carrier for catalysts in chemical processes and for mineral fertilisers and herbicides, pesticides and fungicides in agriculture.
- **Filter industries:** DE is used to treat drinking water, water in fish tanks, swimming pools and other liquids, such as beer and wine, sugar-syrups, and honey.

#### **(F) Mica**

Mica is a crystallised mineral, gathered from numerous materials. It takes many years to form in a high temperature and pressure environment. Since the conditions of its formation defer from place to place, mica's characteristics also vary accordingly.

#### **(a) Properties**

**Available in fine powder form:** Cosmetic-grade mica in fine powdered form is used in various reflective colour applications.

#### **(b) Applications**

- **Cosmetics:** Mica is used in manufacturing cosmetic products because of its ability to provide a fine texture, gloss, skin adhesion, elasticity and because its layers can easily be peeled off. Mica, known as a natural and chemical colouring ingredient, is used in a variety of bold, pigmented, and long-lasting shades that make it excellent for individual application.
- **Other art and craft-related industries:** Mica powders are also used in pen turning, painting, soap-making, making scrap books, embossing, sculpture, etc.

## SUMMARY OF OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 15 of this DRHP, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year. The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this DRHP including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 17 and 168, respectively.*

### **Overview**

Our Company is engaged in processing and selling of a wide range of Specialty Chemicals which primarily include (i) Functional Additives (FA) & (ii) Chemically Modified Minerals (CMM). Our Company is also engaged in processing and selling of (i) Soft Minerals (SM) & (ii) Hard Minerals (HM). Our products have a variety of applications and are used in industries such as paints & coatings, printing inks, plastics & polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical & pharmaceuticals, textile, oil-well drilling, filtration. Our Company is focused on innovative products catering to diversified industries and specializes in customized products, based on specific requirements of our customers.

Our Company is an ISO 9001: 2008 certified Company having Existing Facilities located at (i) Unit 1: Plot 9 – 10, GIDC Waghodia, Vadodara, Gujarat (ii) Unit 2: Plot 347 GIDC Waghodia, Vadodara, Gujarat and (iii) Unit 3: Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu. Our company had an annual sale of processed mineral of 8,005 MT, 16,747 and 11,876 MT for the FY 2016, FY 2017 and the six month period ended September 30, 2017, respectively. Additionally, our company had an annual sale of mined minerals of 74,504 MT 99,781 MT and 36,477 as well as an annual sale of traded minerals of 7,967 MT 4,288 MT and 1,351 MT for the FY 2016, FY 2017 and the six month period ended September 30, 2017, respectively. Our Company owns the mining rights of “China Clay Mine” located at Survey Number 682, Near Village Nadappa, Taluka Bhuj, District Kutch, Gujarat, which has an estimated mining reserve of 13.42 million tonnes.

Our Company is a subsidiary of 20 Microns Limited, which is a known processor of non-metallic white industrial minerals, offering innovative products in the field of functional fillers, extenders and Specialty Chemicals. Our Company, through our Corporate Promoter 20 Microns Limited, has an established market presence in India and abroad for commercial distribution & technical assistance, through our network. We have a long term arrangement with our Corporate Promoter to market and sell our products through their network.

Our Promoter and Founder, Mr. Chandresh S. Parikh has around 35 years of experience in the field of functional fillers, extenders and Specialty Chemicals and has contributed to the growth of our business operations including product development through Research & Development. Mr. Chandresh S. Parikh is assisted by our other Individual Promoters, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh, in order to carry out functional responsibilities of our Company, by overseeing our manufacturing operations and our marketing activities.

Our Company has a DSIR approved, well-equipped research and development Center (“R&D Center”) located at Plot 11, GIDC Waghodia, Vadodara, Gujarat, comprising an area of approximately 1,000 square meters. The R & D Center continuously carries out product and process development activities for enhancing product quality, improving operational efficiencies and augmenting the product lines. The R&D Center is equipped with technologically advanced instruments governed under the expert supervision of our qualified and competent scientists, geologists and engineers for continuous innovations and improvement in quality of our finished products. As at December 31, 2017, Our R & D Center employs 13 scientists as well as 1 doctorate holders.

Our revenue from operations for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 2,580.51 Lakh, ₹ 2,390.65 Lakh, ₹ 3,251.70 Lakh and ₹ 1,919.63 Lakh, respectively. Our EBIDTA for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 301.44 Lakh, ₹ 256.42 Lakh, ₹ 423.94 Lakh and ₹ 286.92 Lakh, respectively. Our PAT for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 149.58 Lakh, ₹ 90.18 Lakh, ₹ 174.82 Lakh and ₹ 132.75 Lakh, respectively. Our three year CAGR for revenue from operations from FY 2015 to FY 2017 is 12.25 %, our three year CAGR for EBIDTA from FY 2015 to FY 2017 is 18.59 % and our three year CAGR for PAT from FY 2015 to FY 2017 is 8.11 %. Our ROCE for FY 2017 is 12.07 % and our ROE for FY 2017 is 9.70 % respectively. Our total debt / equity ratio has improved from 0.77 times in FY 2015 to 0.33 times in FY 2017.

## **Our Strengths**

### **(1) Diversified product portfolio**

The product portfolio of our Company primarily consists of the following business segments: (i) Functional Additives (FA) such as Polyethylene Wax and (ii) Chemically Modified Minerals (CMM) such as Attapulgite, Bentonite, Organoclay, Matting Agent, Diatomaceous Earth and Calcium Oxide. This product portfolio is supplemented by (i) Soft Minerals (SM) such as Mica, Talc and China Clay and (ii) Hard Minerals (HM) such as Calcite, Dolomite and Silica. Our diversified product portfolio has enabled us to be a broad based specialty chemical manufacturer, which we believe, further protects us from demand reduction of particular product.

### **(2) Diversified user industries**

Our products are used in a wide spectrum of industries, which include paints & coatings, printing inks, plastics & polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical & pharmaceuticals, textile, oil-well drilling, filtration. As we have exposure to many industries, we believe, we are not susceptible to the business cycles of any one single industry, which further helps us in managing our risk.

### **(3) Import Substitution**

Some of our products such as Polyethylene Wax and Bentonite are import substitutes. This helps us to cater to domestic demand of products at attractive prices. While we may compete with international suppliers in the domestic market and the international market, yet, as a domestic manufacturer, we believe that, we are able to be competitive in pricing. We are manufacturing and developing well accepted functional import substitutes.

### **(4) Support of our holding company**

We derive substantial synergies from our Corporate Promoter, 20 Microns Limited. We believe our relationship with 20 Microns Limited is a critical factor, enhancing our geographic reach and market penetration. We utilize the wide spread domestic & international marketing and distribution network of our Corporate Promoter, enabling us to distribute products quickly and reach a larger market through established marketing channels.

### **(5) Product innovation and continuous R&D**

We believe in offering better products through continuous research and development in our R&D Center. We employ chemists, geologists and chemical engineers who innovate in the chemical, mineral and additive space providing solution driven products of reputed quality. We invest our resources in understanding consumer behaviour and formulate strategies aimed at fulfilling the evolving & expanding consumer needs.

### **(6) Strong management team**

We have an experienced, qualified and dedicated Management team. Our Individual Promoters collectively have more than 4 decades of experience in the field of functional fillers, extenders and Specialty Chemicals. Our Company includes management executives and independent members who bring business acumen and experience to our Company. Our experienced management and their understanding of the products and markets enable us to continue to understand and take advantage of current as well as future business opportunities.

## **Our Strategy**

### **(1) Focus on scaling up production of high margin yielding products**

Currently, we are processing and marketing a wide range of Specialty Chemicals such as (i) Functional Additives (FA) and (ii) Chemically Modified Minerals (CMM). We also process and market (i) Soft Minerals (SM) and (ii) Hard Minerals (HM) as well as engage in trading of certain minerals. Our Company is focused on scaling up production capacity, adding new products and improving the process of Functional Additives (FA) and Chemically Modified Minerals (CMM), which we believe have a higher profit margin. We intend to focus on the processing of these minerals, which we believe have potential to provide higher sales and realisations.

### **(2) To expand manufacturing facilities for catering to newer products**

We intend to set up a new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat (Proposed Facility) to add manufacturing capacity for our new products: (i) Micronized Wax: Cryogenic (ii) Coloured Mica: Organoclay Plant (iii) Fumed Silica: Flash Calcination as well as to increase the manufacturing capacity

for our existing products: (i) Non Micronized Wax: Spray Cooler (ii) Bentonite: Organoclay Plant (iii) Organoclay: Organoclay Plant (iv) Attapulgit: Flash Calcination (v) Diatomaceous Earth: Flash Calcination. For further details, kindly refer the chapter titled “Objects of the Issue” beginning on page 75 of this DRHP.

### (3) To enhance our portfolio of differentiated products

We intend to continue our focus on increasing our portfolio of differentiated products as well as expanding our presence in segments where we are currently present. We believe the continued expansion of our product portfolio will enable us to achieve higher operational efficiencies that will drive our profitability. We believe an expanded product portfolio will not only enable us to achieve higher sales efficiency to drive additional revenues, but also optimally utilize our production capacity and increase returns on our investment in our facilities. Many of our products are import substitutes, which help us, cater to an existing product demand.

### (4) Improving cost structure through economies of scale

We believe in providing quality products at competitive prices, for which we need to achieve good cost control and make our manufacturing processes more cost effective. We intend to scale up our current capacities to larger sizes in order to obtain economies of scale, identify efficient manufacturing operations, improve quality standards and achieve cost efficiencies. We plan to improve our production process of certain products by installing new machinery for some of our existing products at our Proposed Facility, to further improve margins.

### Our Manufacturing Facilities

The following are the details of our manufacturing facilities, alongwith the ownership and the product segment:

Unit	Location	Ownership	Product Segments
Unit 1	Plot 9 - 10, GIDC Waghodia, Vadodara, Gujarat	Owned	CMM & HM
Unit 2	Plot 347, GIDC Waghodia, Vadodara, Gujarat	Leased from 20 Microns Limited	FA, CMM & SM
Unit 3	Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu	Leased from 20 Microns Limited	SM & HM

Our plant and machinery is capable of manufacturing a variety of products of varying grades. The installed capacity of our plant and machinery is assumed for a specified micron size, whereas the output may differ (increase or decrease) for a different micron size. The installed capacity is for a specified micron size, but the utilised capacity is as per the micron size specified by the customer. Additionally, for any particular plant & machinery, the capacity utilised by HM is different than the capacity as utilised by FA, CMM or SM. While the manufacturing process is different for each segment, the installed capacity is calculated vis-à-vis the machinery.

We propose to continue to manufacture at a similar capacity utilisation factor at our Existing Facilities as well as add further new capacity in the FA & CMM segments at the Proposed Facility. We propose to shift our capacity utilisation from HM & SM to FA & CMM, within the overall capacity utilisation at our Existing Facilities. Also, the manufacturing process at the Proposed Facility would be different than the manufacturing process at the Existing Facilities. While we continue to manufacture the existing products with varying yield at our Existing Facilities, the products proposed to be manufactured at the Proposed Facility would yield higher gross margins as compared to our current products. Accordingly, we propose to add further capacities for existing products, add new capacity for our new products as well as improve the production process for our existing products.

### Our Products

We divide our products into these segments:

Segment	Products
Functional Additives (FA)	Polyethylene Wax
Chemically Modified Minerals (CMM)	Attapulgit, Bentonite, Organoclay, Matting Agent, Diatomaceous Earth, Calcium Oxide
Soft Minerals (SM)	Mica, Talc, China Clay
Hard Minerals (HM)	Calcite, Dolomite & Silica

We believe that our products in the segments of FA and CMM have better profitability margin than SM and HM due to better value addition properties. We propose to increase the proportion of FA and CMM within our

product offering, as compared to SM and HM. While we process most of our products in our manufacturing facilities, we also utilise the manufacturing facility of our Corporate Promoter, 20 Microns Limited, and vice-versa, in case of few products, wherein there is an excess capacity in one location and excess demand in another location. We also engage into select trading of few products, which are required to be offered with our products.

Our products are industrial products, meant for industrial end users and hence are not seasonal in nature. We cater to various industrial segments which provide us with a well dispersed demand on a regular basis throughout the year. However, our mines are not operational during few months, especially in the rainy season.

### **Key marketing arrangements**

#### **Sales and Marketing**

Our Company's products are sold domestically as well as internationally. In the domestic market our Company sells products directly to customers and also to independent dealers & distributors of our Corporate Promoter, throughout the country. We have entered into marketing arrangement with our Corporate Promoter for selling our products and using the trade name "20 Microns", for which we pay 2% of our revenue from operations as royalty. We have entered the international market in the last few years, which we believe has good demand, due to limited supply by international manufacturers. We attempt to bridge this demand and supply gap by offering similar products at competitive prices. Some of our products are import substitutes having good domestic demand. With the proposed capacity expansion and increase in product portfolio, we plan to expand our market.

#### **Customers**

Our key customers are spread across various industries such as paints & coatings, printing inks, plastics & polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical & pharmaceuticals, textile, oil-well drilling, filtration and others. In FY 2015, FY 2016 and FY 2017, our top 10 customers have accounted for around 59%, 57%, and 59%, respectively, of our revenue from operations. While our top 10 customers are not necessarily the same every year, the top 10 customers have continued to contribute a significant portion of our revenues from operations, in the past years. In FY 2015, FY 2016 and FY 2017, our largest customer has accounted for around 17%, 14%, and 11%, respectively, of our revenue from operations.

#### **Competition**

The Company possesses a diverse portfolio of products which has competition for different products. In the Functional Additives segment, there is less domestic competition. In the Chemically Modified Minerals segment, there is high international competition. In the Soft Minerals segment & the Hard Minerals segment, we continue to compete with a few domestic and international players, depending on the end product application.

#### **Exports**

For the past five years, we have achieved exports of ₹ 1068.18 Lakh, wherein we have exported to Nigeria, Saudi Arabia & Sri Lanka. Currently, we have an export obligation by EPCG of ₹ 195.49 Lakh out of which ₹ 14.04 Lakh is utilized against exports till September 30, 2017. This EPCG license is valid till October 06, 2021.

## SUMMARY OF FINANCIAL STATEMENTS

The following tables set forth the summary financial information derived from our Restated financial information.

The Restated Financial Information referred to are presented under the chapter titled “Financial Statements” beginning on page 168 of this DRHP. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and the chapters entitled “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 168 and 228 respectively of this DRHP, respectively.

### Restated Summary Statement of Assets and Liabilities

(Amount in ₹ Lakh)

Particulars		Annexure	As at					(Amount in ₹ Lakhs)
			September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>								
<b>(1) Shareholders' Funds</b>								
(a)	Share Capital	VI	897.00	897.00	647.00	605.00	605.00	605.00
(b)	Reserves and Surplus	VII	1,027.09	904.84	380.02	268.83	120.69	132.86
<b>(2) Non-Current Liabilities</b>								
(a)	Long-Term Borrowings	VIII	151.98	104.84	148.18	161.46	627.30	799.73
(b)	Deferred Tax Liabilities (Net)	IX	163.02	158.36	132.33	120.63	129.22	114.02
(c)	Other Long Term Liabilities	X	3.78	1.84	1.20	0.75	1.07	5.30
(d)	Long Term Provision	XI	3.03	0.67	-	-	-	-
<b>(3) Current Liabilities</b>								
(a)	Short-term Borrowings	XII	540.20	491.57	553.41	511.14	579.31	619.08
(b)	Trade Payables	XIII	423.75	507.38	706.26	317.89	266.44	354.69
(c)	Other Current Liabilities	XIV	214.46	169.88	178.91	581.93	329.34	377.07
(d)	Short-term Provisions	XV	0.65	37.58	19.90	24.90	21.01	10.91
<b>TOTAL</b>			<b>3,424.96</b>	<b>3,273.96</b>	<b>2,767.21</b>	<b>2,592.53</b>	<b>2,679.38</b>	<b>3,018.66</b>
<b>II. ASSETS</b>								
<b>(1) Non-current Assets</b>								
(a)	Fixed Assets	XVI						
	(i) Tangible Assets		1,332.73	1,285.75	1,147.16	979.57	1,070.87	1,346.94
	(ii) Intangible Assets		86.97	103.71	140.86	39.51	71.40	72.55
	(iii) Capital work-in-progress		-	-	181.02	-	-	24.35
	(iv) Intangible Assets under Development		5.24	5.24	5.24	5.24	7.78	26.47
(b)	Non-current Investments	XVII	0.23	0.23	0.23	0.23	0.23	0.23
(c)	Long Term Loans and Advances	XVIII	-	-	9.68	175.41	141.86	183.11
(d)	Other Non-current Assets	XIX	2.75	1.68	1.88	4.42	3.59	1.84
<b>(2) Current Assets</b>								
(a)	Inventories	XX	893.15	842.90	606.50	264.18	298.22	320.32
(b)	Trade Receivables	XXI	792.60	777.72	400.90	401.16	408.33	444.23
(c)	Cash and Bank Balances	XXII	130.62	31.04	24.18	43.95	36.01	33.34
(d)	Short Term Loans and Advances	XXIII	168.58	217.13	240.36	674.20	636.14	560.89
(e)	Other Current Assets	XXIV	12.09	8.56	9.20	4.66	4.95	4.39
<b>TOTAL</b>			<b>3,424.96</b>	<b>3,273.96</b>	<b>2,767.21</b>	<b>2,592.53</b>	<b>2,679.38</b>	<b>3,018.66</b>



# Restated Summary Statement of Profit and Loss

		(Amount in ₹ Lakh)					
Particulars	Annexure	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>I. INCOME</b>							
Revenue from Operations	XXV	1,919.63	3,251.70	2,390.65	2,580.51	2,068.69	2,691.16
Other Income	XXVI	19.68	56.56	99.35	127.21	185.79	174.30
<b>Total Revenue (I +II)</b>		<b>1,939.31</b>	<b>3,308.26</b>	<b>2,490.00</b>	<b>2,707.72</b>	<b>2,254.48</b>	<b>2,865.46</b>
<b>II EXPENSES</b>							
Cost of Materials Consumed	XXVII	1,051.76	1,727.88	1,321.00	1,326.98	1,028.67	1,033.11
Purchase of Stock-in-Trade	XXVIII	63.37	94.57	158.34	496.86	210.87	392.83
Changes in Inventories of Finished Goods and Stock-in-Trade	XXIX	(41.86)	(49.33)	(18.20)	4.50	47.66	6.68
Employee Benefit Expense	XXX	158.59	254.35	179.31	89.22	100.09	245.79
Financial Costs	XXXI	41.84	100.16	127.74	162.05	192.73	216.65
Depreciation and Amortization Expense	XVI	59.46	119.07	89.26	108.32	81.13	93.32
Other Expenses	XXXII	400.85	800.29	493.78	361.51	469.85	864.65
<b>Total Expenses</b>		<b>1,734.01</b>	<b>3,046.99</b>	<b>2,351.23</b>	<b>2,549.44</b>	<b>2,131.00</b>	<b>2,853.03</b>
<b>III Restated Profit Before Exceptional and Extra Ordinary items and Tax (I-II)</b>		<b>205.30</b>	<b>261.27</b>	<b>138.77</b>	<b>158.28</b>	<b>123.48</b>	<b>12.43</b>
<b>IV Exceptional Item</b>		-	-	-	-	119.30	-
<b>V Restated Profit /(Loss) Before Tax (III- IV)</b>		<b>205.30</b>	<b>261.27</b>	<b>138.77</b>	<b>158.28</b>	<b>4.18</b>	<b>12.43</b>
<b>VI Tax Expense:</b>							
(1) Current Tax		67.89	60.42	36.89	31.74	1.15	3.65
(2) Deferred Tax		4.66	26.03	11.69	(8.59)	15.20	39.83
(3) Mat Credit Entitlement		-	-	0.00	(14.45)	-	(3.65)
<b>VII Restated Profit/(Loss) after tax (V-VI)</b>		<b>132.75</b>	<b>174.82</b>	<b>90.18</b>	<b>149.58</b>	<b>(12.17)</b>	<b>(27.40)</b>
<b>X. Earnings Per Equity Share:</b>							
(a) Basic Earnings Per Share		<b>1.48</b>	<b>2.43</b>	<b>1.46</b>	<b>2.47</b>	<b>(0.20)</b>	<b>(0.45)</b>
(b) Diluted Earnings Per Share		<b>1.48</b>	<b>2.43</b>	<b>1.45</b>	<b>2.43</b>	<b>(0.17)</b>	<b>(0.45)</b>

# Restated Summary Cash Flow Statement

(Amount in ₹ Lakh)

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A. Cash Flow from Operating Activities</b>						
Profit (Loss) before tax and after Extra Ordinary Items (as restated)	205.30	261.27	138.77	158.28	4.18	12.43
<b>Adjustments for</b>						
Provision for Doubtful Debts Written Back	-	-	-	-	(4.42)	-
Unrealised Foreign Exchange Loss/Gain	0.43	1.49	-	-	-	-
Profit on Sale of Assets (Net)	-	(0.41)	-	(2.29)	(14.68)	-
Loss on of Assets (Net)	-	-	1.22	-	-	1.74
Remission of Credit balances	(0.09)	(1.29)	(15.74)	(1.20)	(11.76)	-
Remission of Debit Balances	-	-	1.19	0.53	0.04	-
Depreciation and Amortization	59.46	119.05	89.26	106.88	81.12	93.32
Bad debts written off	-	0.34	-	0.10	6.21	5.33
Provision for Doubtful Debts	-	2.65	3.64	8.38	8.07	14.26
Interest Received	(9.92)	(20.51)	(48.21)	(62.01)	(74.26)	(92.33)
Interest Paid	41.84	100.16	127.74	162.05	192.73	216.64
Operating Profit before working capital changes and extra ordinary items (as restated)	<b>297.02</b>	<b>462.75</b>	<b>297.87</b>	<b>370.72</b>	<b>187.23</b>	<b>251.39</b>
<b>Adjustments for</b>						
Increase/(Decrease) in Trade Payable	(83.55)	(197.58)	404.10	52.65	(76.49)	(280.84)
Increase/(Decrease) in Other liabilities	(12.72)	35.09	(0.73)	14.18	(44.43)	(105.75)
(Increase)/Decrease in Trade receivables	(15.32)	(381.30)	(4.55)	(1.83)	25.98	180.90
(Increase)/Decrease in loans/advances and other current assets	34.26	30.43	443.03	(31.96)	38.18	39.73
(Increase)/Decrease in Inventories	(50.26)	(236.42)	(342.32)	34.04	22.11	136.60
Cash Generated from Operation	<b>169.43</b>	<b>(287.03)</b>	<b>797.40</b>	<b>437.80</b>	<b>152.58</b>	<b>222.03</b>
Direct Taxes paid	44.57	62.72	(5.19)	15.44	24.85	21.06
Cash Flow Before extra-ordinary items	<b>124.86</b>	<b>(349.75)</b>	<b>802.59</b>	<b>422.36</b>	<b>127.73</b>	<b>200.97</b>
Net Cash Inflow / (Outflow) in the course of Operating Activities	<b>124.86</b>	<b>(349.75)</b>	<b>802.59</b>	<b>422.36</b>	<b>127.73</b>	<b>200.97</b>
<b>B. Cash Flow from Investing Activities</b>						
Proceeds from Sale of Fixed Assets (incl. sale of CWIP)	-	4.44	1.45	36.50	394.72	79.24
Purchase of Fixed Assets (Including Additions to CWIP)	(89.69)	(43.52)	(541.88)	(16.81)	(140.91)	(296.29)
Interest Received	10.64	17.58	181.21	11.54	18.44	92.33
Net Cash Inflow/(outflow) in the course of investing activities	<b>(79.05)</b>	<b>(21.50)</b>	<b>(359.22)</b>	<b>31.23</b>	<b>272.25</b>	<b>(124.72)</b>
<b>C. Cash Flow from Financing Activities</b>						
Borrowings (Net) Long Term	-	-	-	-	-	(199.21)
Proceeds from Borrowings - Secured	62.00	-	110.38	-	-	-
Issue of equity shares	-	600.00	-	-	-	-
Proceeds from Long Term Borrowings - Unsecured Other borrowings	-	-	50.00	-	47.00	-
Proceeds from Long Term Borrowings - Unsecured Issue of Deposits	-	-	-	-	1.11	-
Proceeds from Short Term Borrowings - Unsecured Issue of Deposits	-	-	-	-	32.29	-
Proceeds from Borrowings - Secured	19.99	(71.09)	(2.43)	5.37	-	-
Repayment of Borrowings - Secured	(27.37)	(83.33)	(127.00)	(190.18)	(230.90)	-
Repayment of Borrowings - Unsecured	47.63	21.30	(334.61)	(97.80)	(58.66)	-
Borrowings (Net) Short Term	-	-	-	-	-	11.02

<b>Particulars</b>	<b>For Six Months Period ended September 30, 2017</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2013</b>
Interest Paid	(37.98)	(97.33)	(138.94)	(171.46)	(193.20)	(216.64)
Unsecured loans	-	-	-	-	-	314.85
Share Issue Expense	(10.50)	-	-	-	-	-
Net Cash Inflow/(outflow) in the course of financing activities	<b>53.77</b>	<b>369.55</b>	<b>(442.60)</b>	<b>(454.07)</b>	<b>(402.36)</b>	<b>(89.98)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	99.58	(1.70)	0.77	(0.48)	(2.38)	(13.73)
Cash and cash equivalents - opening balance	<b>1.24</b>	<b>2.94</b>	<b>2.17</b>	<b>2.65</b>	<b>5.04</b>	<b>18.77</b>
Cash and cash equivalents - closing balance	<b>100.82</b>	<b>1.24</b>	<b>2.94</b>	<b>2.17</b>	<b>2.66</b>	<b>5.04</b>
<b>Notes:</b>						
1 .Cash and Cash Equivalents comprise of:						
Cash on hand	0.08	0.09	0.09	-	0.07	0.09
Balance with scheduled banks						
- Current Accounts	100.74	1.15	2.85	2.17	2.59	4.95
- Deposit Accounts	-	-	-	-	-	-
	<b>100.82</b>	<b>1.24</b>	<b>2.94</b>	<b>2.17</b>	<b>2.66</b>	<b>5.04</b>

**Note:**

1. Cashflow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cashflow Statement".
2. The above statement should be read with the notes to the Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash flows as appearing in Annexure IV and V.
3. Figures in negative/ bracket represents outflows.

## THE ISSUE

*This chapter contains only the summarized terms of the Issue and should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “Terms of the Issue” on page 271 of this DRHP.*

### Authority for the Issue

The Present Issue has been authorized by Board of Directors of our Company at its meeting held on October 13, 2017 and by shareholders of our Company at their Extra-ordinary General Meeting held on November 06, 2017 vide special resolution passed under section 62(1)(c) of the Companies Act, 2013.

### Summary of the Issue

Particulars	Details of the Issue
<b>Present Issue in terms of this DRHP<sup>(1)</sup></b>	Fresh Issue of [●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ 2,100 Lakh. <sup>(2)</sup>
<b>Which comprises</b>	
<b>A. Reservation for Market Maker</b>	[●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh.
<b>B. Net Issue to the Public</b>	[●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh.
<b>of which</b>	
<b>B.1 Available for allocation to Retail Individual Investors Category<sup>(3)</sup></b>	[●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh.
<b>B.2 Available for allocation to Other Investors Category<sup>(3)</sup></b>	[●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh.
<b>Pre and Post Issue paid up share capital</b>	
<b>Before the Present Issue</b>	89,70,020 Equity Shares of ₹ 10/- each
<b>After the Present Issue</b>	[●] Equity Shares of ₹ 10/- each
<b>Objects of the Issue</b>	Kindly refer the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 75 of this DRHP.
<b>Issue Programme</b>	
<b>Bid / Issue Opens on</b>	[●]
<b>Bid / Issue Closes on</b>	[●]

<sup>(1)</sup> The present Issue is being made by our Company in terms of Regulation 106M (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-Issue paid-up equity share capital of our Company are being offered to the public for subscription.

<sup>(2)</sup> Our Company, in consultation with the BRLM, may consider the allotment of [●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ 500 Lakh on private placement basis, prior to filing of Red Herring Prospectus with the Registrar of Companies, Ahmedabad (“**Pre-IPO Placement**”) and in such an event, the size of the Issue as disclosed hereinabove will be reduced to the extent of Pre-IPO Placement subject to compliance with Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 (“**SCRR**”).

<sup>(3)</sup> The allocation in Retail Individual Investors Category and Other Investors Category shall be determined by our Company in consultation with BRLM subject to the provisions of SEBI ICDR Regulations and shall be subject to spill-over of Equity Shares from other category in case of under-subscription in either category. For further details, kindly refer the chapter titled “Terms of the Issue” beginning on page 271 of this DRHP.

## GENERAL INFORMATION

Our Company was originally incorporated as “*Speciality Minerals Private Limited*” on October 28, 1993 under the Companies Act, 1956 in the state of Gujarat vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company became a deemed public company within the meaning of section 43A of the Companies Act, 1956 on October 25, 1999 and was subsequently converted into a public limited company vide fresh Certificate of Incorporation consequent upon conversion to public limited company dated August 30, 2001 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli and the name of our Company was changed to “*Speciality Minerals Limited*”. Subsequently, the name of our Company was changed to “*20 Microns Nano Minerals Limited*” vide fresh Certificate of Incorporation pursuant to change of name dated November 12, 2008 issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of our Company is U15543GJ1993PLC020540. For further details on change of name and the registered office of our Company, kindly refer the chapter titled “*History and Corporate Structure*” beginning on page 139 of this DRHP.

### Registered Office of our Company

#### 20 Microns Nano Minerals Limited

9-10, GIDC Industrial Estate,  
Waghodia, Vadodara – 391760, Gujarat, India

**Telephone:** +91-02668-292297

**Fax:** +91-02668-264003

**Email:** [investors@20nano.com](mailto:investors@20nano.com)

**Website:** [www.20nano.com](http://www.20nano.com)

**CIN:** U15543GJ1993PLC020540

### Registrar of Companies

#### Registrar of Companies, Ahmedabad

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013.

**Tel.:** +91-79-2743 7597;

**Fax:** +91-79-2743 8371;

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

### Designated Stock Exchange

#### National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E) Mumbai - 400051,  
Maharashtra, India.

### Board of Directors of our Company

As on the date of filing of this DRHP, the Board of Directors of our Company comprises the following Directors:

Name of Director	DIN	Designation	Address
Mr. Chandresh S. Parikh	00041584	Chairman & Non-Executive Director	604-B, Bhadrlok, O. P. Road, Vadodara – 390007, Gujarat, India
Mr. Rajesh C. Parikh	00041610	Non-Executive Director	604-B, Bhadrlok Apartment, Near Tube Company Old Padra Road, Vadodara – 390 015, Gujarat, India.
Mr. Atil C. Parikh	00041712	Managing Director & Chief Executive Officer	66, Atmajyoti Nagar, Ellorapark, Race Course, Vadodara – 390 007, Gujarat, India.
Mr. Sudhir R. Parikh	00041649	Non-Executive Director	55, Shivashraya, Saiyed-Vasana Road, Vadodara - 390007, Gujarat, India
Ms. Darsha R. Kikani	00155791	Independent Director	10, Sanjay Park, B/h Sundervan, Satellite Road, Ahmedabad – 380015, Gujarat, India

Name of Director	DIN	Designation	Address
Mr. Ramkisan A. Devidayal	00238853	Independent Director	Flat No. 17, Sakseria Building, 74 Marine Drive, Mumbai – 400020, Maharashtra, India

*For further details about our Board of Directors, kindly refer the chapter titled “Our Management” beginning on page 143 of this DRHP.*

#### **Company Secretary and Compliance Officer**

##### **Mrs. Komal Tiwari**

9-10, GIDC Industrial Estate,  
Waghodia, Vadodara – 391760, Gujarat, India

**Telephone:** +91-02668-292297

**Fax:** +91-02668-264003

**E-mail:** [cs@20nano.com](mailto:cs@20nano.com)

**Website:** [www.20nano.com](http://www.20nano.com)

#### **Investor Grievances**

**Investors may contact our Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievance, such as non-receipt of letters of allotment, non-credit of Allotted Equity Shares in the respective beneficiary accounts and non-receipt of funds by electronic mode.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name, address of the Bidder, PAN, DP ID, Client ID, number of Equity Shares applied for, amount blocked, ASBA Account number and name and address of relevant Designated Intermediary where the Bid cum Application Form was submitted by the ASBA Bidder.

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

#### **Chief Financial Officer**

##### **Mr. Narendrakumar R. Patel**

9-10, GIDC Industrial Estate,  
Waghodia, Vadodara – 391760, Gujarat, India.

**Tel.:** +91-02668-264003

**Fax:** +91-02668-264003

**E-mail:** [nrpatel@20microns.com](mailto:nrpatel@20microns.com)

**Website:** [www.20nano.com](http://www.20nano.com)

#### **Book Running Lead Manager**

##### **Vivro Financial Services Private Limited**

607-608 Marathon Icon, Veer Santaji Lane, Opposite Peninsula Corporate Park,  
Off Ganpatrao Kadam Marg, Lower Parel,  
Mumbai, Maharashtra, India - 400013

**Telephone:** +91-22-66668040;

**Fax:** +91-22-66668047

**Website:** [www.vivro.net](http://www.vivro.net); **Email:** [20nano@vivro.net](mailto:20nano@vivro.net)

**Investor Grievance Email:** [investors@vivro.net](mailto:investors@vivro.net)

**Contact Person:** Mr. Anish Akruwala / Mr. Bhargav Parekh

**SEBI Registration Number:** INM000010122

**CIN:** U67120GJ1996PTC029182

#### **Statement of inter-se allocation of Responsibilities for the Issue**

Vivro Financial Services Private Limited is the sole Book Running Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

## **Legal Advisors to the Issue**

### **M/s. Kanga and Company,**

#### **Advocates & Solicitors**

Readymoney Mansion,

43, Veer Nariman Road,

Mumbai - 400 001,

Maharashtra, India

**Tel.:** +91 22-6623-0000

**Fax:** +91 22-6633-9656/6633-9657

**Website:** [www.kangacompany.com](http://www.kangacompany.com)

**Email:** [chetan.thakkar@kangacompany.com](mailto:chetan.thakkar@kangacompany.com)

**Contact Person:** Mr. Chetan Thakkar

## **Registrar to the Issue**

### **Link Intime India Private Limited**

C 101, 1<sup>st</sup> Floor, 247 Park, LBS Marg,

Vikhroli (West), Mumbai,

Maharashtra, India - 400083.

**Tel.:** + 91-022- 49186200;

**Fax:** +91-022-49186195;

**Email:** [20microns.nano.ipo@linkintime.co.in](mailto:20microns.nano.ipo@linkintime.co.in)

**Investor Grievance Email:** [20microns.nano.ipo@linkintime.co.in](mailto:20microns.nano.ipo@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Contact Person:** Ms. Shanti Gopalkrishnan

**SEBI Registration Number:** INR000004058

**CIN:** U67190MH1999PTC118368

## **Statutory Auditors**

### **M/s K M Swadia & Company**

#### **Chartered Accountants**

314, Shriram Complex,

R C Dutt Road,

Vadodara – 390 023,

Gujarat, India

**Telephone:** +91-0265-2314384

**Email:** [pravin@kms.net.in](mailto:pravin@kms.net.in)

**Contact Person:** Mr. Pravin Panchiwala

**Membership No.:** 127406

**Firm Registration No.:** 110740W

**Peer Review Certificate No.:** 008419

## **Bankers to the Issue**

The Bankers to the Issue will be appointed prior to filing of RHP with the Registrar of Companies, Ahmedabad.

## **Bankers to our Company**

### **IDBI Bank Limited**

C.G. Road Branch, IDBI Complex,

Opp. Muni. Staff Quarters,

Near Lal Bungalow, Off C.G. Road,

Post Bag No. 22, Ahmedabad – 380 006, Gujarat, India.

**Tel:** 079-6607 2600

**Fax:** 079-2640 0814/66072773

**Website:** [www.idbi.com](http://www.idbi.com)

**SEBI Registration No.:** IN-DP-NSDL-04-96

**CIN:** L65190MH2004GOI148838

## **Syndicate Member(s)**

[●]\*

*\*The details of Syndicate Member(s) will be updated at the time of filing of RHP with RoC.*

## **Designated Intermediaries**

### **1. Self-Certified Syndicate Banks (SCSBs)**

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

### **2. Registered Brokers**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit Bid cum Application Forms in the Issue using the stock broker network of the Stock Exchanges i.e. through the Registered Brokers at the Broker Centres.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the NSE i.e. [www.nseindia.com](http://www.nseindia.com), as updated from time to time. In relation to the ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **3. Registrar to the Issue and Share Transfer Agents**

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Bidders can submit Bid cum Application Forms through Collecting RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to Stock Exchange for acting in such capacity.

The list of the RTAs eligible to accept ASBA forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of NSE, i.e., [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

### **4. Collecting Depository Participants**

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Bidders can submit Bid cum Application Forms through CDPs who are depository participants registered with SEBI and have furnished their details to Stock Exchanges for acting in such capacity.

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

### **5. Brokers to the Issue**

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

## **Expert Opinion**

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

Our Company has received written consent dated December 30, 2017 from the Statutory Auditors to include their name in this DRHP as an “expert” defined under section 2(38) of the Companies Act in respect of the reports of the Statutory Auditors on the Restated Financial Statement dated December 30, 2017 and statement of tax benefits dated December 30, 2017 and such consent has not been withdrawn as on the date of this DRHP.

## **Credit Rating**

This being an initial public offering of Equity Shares, there is no requirement of credit rating for the Issue.



## Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

## IPO Grading

Our Company has not obtained any grading from any credit rating agency for the present Issue.

## Monitoring Agency

Since the size of the present Issue is less than ₹ 10,000 Lakh, our Company is not required to appoint any monitoring agency to monitor the utilization of proceeds of the Issue. Although in terms of section 177 of Companies Act, 2013, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

## Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

## Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the RHP within the Price Band, the Bid cum Application Form and the Revision Form. The Price Band and minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised in [●] editions of [●], [●] editions of [●] and [●] editions of [●] which are widely circulated in English, Hindi and Gujarati newspapers, respectively (Gujarati being the local language of Gujarat, where our Registered Office is located), at least five Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchange for the purpose of upload on its website. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/ Issue Closing Date.

The major parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Vivro Financial Services Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue;
- The Bankers to the Issue; and
- The Designated Intermediaries.

All Bidders, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. For further details on the method and procedure for Bidding, kindly refer the chapter titled “*Issue Procedure*” beginning on page 278 of this DRHP.

## Illustration of Book Building and Price Discovery Process

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue.*

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

Bid Quantity	Bid Price (in ₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%

Bid Quantity	Bid Price (in ₹)	Cumulative Quantity	Subscription
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22/- in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the Issue price at or below such cut-off price, i.e., at or below ₹ 22/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

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

1. Check eligibility for making a Bid (kindly refer the chapter titled “*Issue Procedure*” beginning on page 278 of this DRHP);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the demographic details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in the DRHP and in the Bid cum Application Form;
6. Ensure that the Bid cum Application Form is submitted to a Designated Intermediary only in the Specified Locations and that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application. a list of such branches is available at the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>;
7. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the Designated Intermediary to ensure that the Bid cum Application Form is not rejected.

#### Bid/Issue Schedule

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

Event	Indicative Date
Bid / Issue Opening Date	[●]
Bid / Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

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

Bids and revision of Bids, shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Bid/Issue Period as mentioned above at the Bidding centers and designated branches of SCSBs as mentioned in the Bid Cum Application Form. On the Bid/Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLM to the Stock Exchange. It is

clarified that Bids not uploaded on the electronic bidding system would be rejected. Bids will be accepted only on Working Days, i.e. Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. All times mentioned in this DRHP are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager or the Syndicate Member is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

**QIBs and Non-Institutional Investors shall neither withdraw nor revise their Bids so as to lower the size of their Bid at any stage after they have bidden in the Issue. QIBs and Non-Institutional Investors may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form.**

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member(s).

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / Syndicate Member / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange, i.e., NSE EMERGE on which Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will 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 subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through this DRHP, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the RHP and Prospectus.

### **Underwriting and Underwriting Agreement**

The Company and the BRLM hereby confirm that the Issue is 100% Underwritten.

The Underwriting Agreement entered into by our Company with the Underwriter is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are subject to certain conditions

specified therein. The Underwriter has indicated their intention to underwrite the following number of specified securities being offered through this Issue. The details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of the Net Issue Size Underwritten
<b>Vivro Financial Services Private Limited</b> 607-608 Marathon Icon, Veer Santaji Lane, Opposite Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra, India - 400013 <b>Telephone:</b> +91-22-66668040; <b>Fax:</b> +91-22-66668047 <b>Email:</b> <a href="mailto:20nano@vivro.net">20nano@vivro.net</a> <b>Website:</b> <a href="http://www.vivro.net">www.vivro.net</a> <b>Investor Grievance Email:</b> <a href="mailto:investors@vivro.net">investors@vivro.net</a> <b>Contact Person:</b> Mr. Anish Akruwala / Mr. Bhargav Parekh <b>SEBI Registration Number:</b> INM000010122 <b>CIN:</b> U67120GJ1996PTC029182	[●]*	[●]	[●]%
[●]	[●]	[●]	[●]

\*includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 106V (4) of the SEBI ICDR Regulations.

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

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge its obligations in full.

#### Market Maker and Market Making Arrangement

Our Company has entered into Market Making Agreement dated March 6, 2018 with the following Market Maker to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	<b>Airan Finstocks Private Limited</b>
<b>Registered Office</b>	1-D, 3 <sup>rd</sup> Floor, Gift One Building, Gandhinagar, Gujarat 382355
<b>Corporate Office</b>	407, the Grand Mall, Opp. SBI Zonal Office, Ambawadi, Ahmedabad – 380 015
<b>Telephone</b>	+ 91 40222666
<b>Fax</b>	+91 40222699
<b>E-mail</b>	<a href="mailto:info@airanfinstocks.com">info@airanfinstocks.com</a>
<b>Website</b>	<a href="http://www.airanfinstocks.com">www.airanfinstocks.com</a>
<b>Contact Person</b>	Mr. Kiran Gohel
<b>SEBI Registration Number</b>	INB231323339
<b>NSE Market Maker Registration No.</b>	INB231323339

In terms of chapter XB of SEBI ICDR Regulations, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the NSE and SEBI regarding this matter from time to time.

#### Summary of Market Making Arrangement

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE EMERGE and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE EMERGE (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the NSE EMERGE from time to time).
6. There would not be more than five (5) 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. At this time Airan Finstocks Private Limited, is the sole Market Maker.
7. **Inventory management by the Market Maker:**

The following shall apply to market maker while managing his inventory during the market making process:

- a. For the first three months of market making, the Market Maker shall provide two way quotes irrespective of his holding.
- b. After a period of three months of market making, the Market Maker is exempted from providing buy quote in the event his inventory crosses the limits on the upper side for market makers during market making process prescribed by SEBI vide its Circular no. CIR/MRD/DSA/31/2012 dated November 27, 2012. The limits on upper side prescribed by SEBI are set forth hereunder:

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%

- c. The Market Maker will give two way quotes till he reaches the upper limit threshold prescribed hereinabove, thereafter he has the option to give only sell quotes.
- d. The Market Maker will resume providing two way quotes the moment his inventory reaches the prescribed re-entry threshold.
- e. In view of the market maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
8. The Equity Shares of the Company will be traded in the continuous trading session from the date of listing on the NSE EMERGE and the Market Maker will remain present as per the guidelines issued by NSE and SEBI from time to time. 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.
9. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
10. 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.

**11. Termination of Market Making Arrangement:**

The Market Maker(s) shall have the right to terminate said arrangement by giving a one (1) months' notice or on mutually acceptable terms to the BRLM, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM 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. Further our Company and the BRLM 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 (5) or as specified by the relevant laws and regulations applicable at that particular point of time.

**12. Risk containment measures and monitoring for Market Makers:**

NSE EMERGE will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

**13. Price Band and Spreads:**

The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

**14. Punitive Action in case of default by Market Makers:**

NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

**All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.**

## CAPITAL STRUCTURE

The capital structure of our Company before the Issue and after giving effect to the Issue, as at the date of this DRHP, is set forth below:

		(₹In Lakh)	
No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Issue Price (₹)
<b>I</b>	<b>Authorised Share Capital</b>		
	2,00,00,000 Equity Shares of ₹10/- each	2,000.00	
<b>II</b>	<b>Issued, Subscribed and Paid up Share Capital prior to the Issue<sup>(1)</sup></b>		
	89,70,020 Equity Shares of ₹10/- each	897.00	
<b>III</b>	<b>Present Issue in terms of this DRHP<sup>(2)</sup></b>		
	[●] Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share aggregating up to ₹ 2,100 Lakh <sup>(3)</sup>	[●]	[●]
	<b>Which comprises</b>		
	<b>A. Reservation for Market Maker</b>		
	[●] Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh <sup>(3)</sup>	[●]	[●]
	<b>B. Net Issue to Public</b>		
	[●] Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh <sup>(3)</sup>	[●]	[●]
	<b>Of which</b>		
	<b>B.1</b> [●] Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh will be available for allocation to Retail Individual Investors Category	[●]	[●]
	<b>B.2</b> [●] Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh will be available for allocation to Other Investors Category	[●]	[●]
<b>IV</b>	<b>Issued, Subscribed and Paid up Share Capital after the Issue</b>		
	[●] Equity Shares of ₹ 10/- each	[●]	[●]
<b>V</b>	<b>Securities Premium Account</b>		
	Before the Issue	360.50	
	After the Issue	[●]	

<sup>(1)</sup> Our Company has only one class of share, i.e., Equity Shares having face value of ₹ 10/- each and there are no partly paid up Equity Shares or preference shares or convertible securities outstanding for conversion as on the date of this DRHP.

<sup>(2)</sup> The Present Issue has been authorized by Board of Directors of our Company at its meeting held on October 13, 2017 and by shareholders of our Company at their Extra-ordinary General Meeting held on November 06, 2017 vide special resolution passed under section 62(1)(c) of the Companies Act, 2013.

<sup>(3)</sup> In case our Company makes Pre-IPO Placement, the size of the present Issue will be reduced to the extent of the Pre-IPO Placement subject to compliance with Rule 19(2)(b) of SCRR.

## NOTES TO CAPITAL STRUCTURE

### 1. DETAILS OF CHANGES IN AUTHORISED SHARE CAPITAL OF OUR COMPANY SINCE INCORPORATION

Our Company was incorporated with authorized share capital of ₹ 10,00,000 divided into 1,00,000 Equity Shares of ₹ 10/- each and the details of changes in the authorized share capital of our Company post incorporation are set forth below:

No.	Date of Shareholders' approval	AGM/ EGM/ Postal Ballot	Change
1	March 21, 2008	EGM	Increased from ₹ 10,00,000 divided into 1,00,000 Equity Shares of ₹ 10/- each to ₹ 2,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10/- each and 10,00,000 14% cumulative redeemable convertible preference shares of ₹ 10/- each.
2	October 23, 2008	EGM	Reclassified from ₹ 2,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10/- each and 10,00,000 14% cumulative redeemable convertible preference shares of ₹ 10/- each to ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10/- each.*
3	September 29, 2009	AGM	Increased from ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10/- each.
4	July 07, 2017	EGM	Increased from ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10/- each to ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10/- each.

\*Cancellation of 10,00,000 14% cumulative redeemable convertible preference shares of ₹ 10/- each and addition of 10,00,000 equity shares of ₹ 10/- each.

### 2. EVOLUTION OF EXISTING SHARE CAPITAL OF OUR COMPANY

#### a) The details of existing share capital of our Company

Date of Allotment	No. of shares Allotted	Face Value (in ₹ Per Share)	Issue Price (in ₹ Per Share)	Mode of Allotment	Form of Consideration	Cumulative No. of Shares	Cumulative Paid up capital (in ₹)
November 22, 1993	20	10/-	10/-	Subscription to MOA	Cash	20	200
October 25, 1999	100	10/-	10/-	Further issue of Shares <sup>(1)</sup>	Cash	120	1,200
February 28, 2001	49,900	10/-	10/-	Further issue of Shares <sup>(2)</sup>	Cash	50,020	5,00,200
February 03, 2010	35,00,000	10/-	10/-	Further issue of Shares <sup>(3)</sup>	Cash	35,50,020	3,55,00,200
March 30, 2010	25,00,000	10/-	10/-	Further issue of Shares <sup>(4)</sup>	Cash	60,50,020	6,05,00,200
October 07, 2015	2,00,000	10/-	15/-	Conversion of OCD <sup>(5)</sup>	Cash	62,50,020	6,25,00,200
January 18, 2016	2,20,000	10/-	15/-	Conversion of FCD <sup>(6)</sup>	Cash	64,70,020	6,47,00,200
November 05, 2016	8,00,000	10/-	24/-	Preferential Issue <sup>(7)</sup>	Cash	72,70,020	7,27,00,200
February 09, 2017	8,00,000	10/-	24/-	Preferential Issue <sup>(8)</sup>	Cash	80,70,020	8,07,00,200
March 16, 2017	9,00,000	10/-	24/-	Preferential Issue <sup>(9)</sup>	Cash	89,70,020	8,97,00,200

<sup>(1)</sup> Further issue of 100 Equity Shares to 20 Microns Finance and Investment Limited (presently known as Eriez Industries Private Limited) against debts owed by our Company towards it.



- (2) Further issue of 49,860 Equity Shares to 20Microns Limited, 10 Equity Shares to Mr. Sudhir R. Parikh & Ms. Dharmistha S. Parikh, 10 Equity Shares to Mr. Jagdish D. Parikh & Ms. Manjula J. Parikh, 10 Equity Shares to Mr. Amish J. Parikh & Ms. Vandana A. Parikh and 10 Equity Shares to Mr. Nirakar H. Desai.
- (3) Further issue of 35,00,000 Equity Shares of ₹10/- each at par to 20 Microns Limited.
- (4) Further issue of 25,00,000 Equity Shares ₹10/- each at par to 20 Microns Limited.
- (5) Allotment of 2,00,000 Equity Shares of ₹10/- each at premium of ₹5/- per Equity Share to Mr. Chandresh S. Parikh & Ms. Ilaben C. Parikh pursuant to exercise of option to convert Optionally Convertible Debentures issued in the FY 2012-13.
- (6) Allotment of 2,20,000 Equity Shares of ₹10/- each at premium of ₹5/- per Equity Share to Mr. Narendra M. Patel & Ms. Panna N. Patel on conversion of Full Convertible Debentures issued in the FY 2012-13.
- (7) Preferential Issue of 8,00,000 Equity Shares of ₹10/- each at premium of ₹14/- per Equity Share to 20 Microns Limited.
- (8) Preferential Issue of 8,00,000 Equity Shares of ₹10/- each at premium of ₹14/- per Equity Share to 20 Microns Limited.
- (9) Preferential Issue of 9,00,000 Equity Shares of ₹10/- each at premium of ₹14/- per Equity Share to 20 Microns Limited.

**b) The details of allotment(s) made in last two years**

Our Company has allotted in aggregate 25,00,000 Equity Shares during last two years preceding the date of this DRHP, the details of which are set forth hereunder:

Date of Allotment	No. of shares Allotted	Face Value (in ₹ Per Share)	Issue Price (in ₹ Per Share)	Mode of Allotment	Form of Consideration	Cumulative No. of Shares
November 05, 2016	8,00,000	10/-	24/-	Preferential Issue	Cash	20 Microns Limited
February 09, 2017	8,00,000	10/-	24/-	Preferential Issue	Cash	20 Microns Limited
March 16, 2017	9,00,000	10/-	24/-	Preferential Issue	Cash	20 Microns Limited

**c) Since incorporation, our Company has not issued any shares -**

- for consideration other than cash or out of revaluation reserves;
- in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013;
- as bonus shares by capitalizing any of its reserves;
- under any employee stock option scheme or employee stock purchase scheme.

**d) The details of shares issued at lower than Issue Price**

[•]\*

*\*The present issue being made through book building method, the Issue Price is yet to be discovered and finalized and accordingly, the details will be updated at the time of filing Prospectus.*

- e) Our Company does not propose or intend to alter the capital structure by way of split or consolidation of the denomination of the shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement, within a period of six months from the date of opening of the present Issue. However, our Company may issue further Equity Shares (including issue of securities convertible into Equity Shares) whether by way of preferential issue or otherwise after the date of the opening of the 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 our Board to be in the interest of our Company.

### 3. THE DETAILS OF SHAREHOLDING OF PROMOTERS & PROMOTER GROUP OF OUR COMPANY

#### a) History of share capital held by our Promoters:

As on the date of this DRHP, total shareholding of Promoters of our Company is 89,48,270 Equity Shares constituting 99.76 % of the pre-Issue paid up equity share capital of our Company. The break-up of shareholding of each Promoter is set forth hereunder:

#### 1) 20 Microns Limited

Date of Allotment /Transfer	Number of Equity Shares acquired/transferred	Face Value Per Equity Share (in ₹)	Acquisition/ Sale Price Per Equity Share (in ₹)	Nature of Transaction	Nature and Source of funds	% of Pre-Issue paid up share capital	% of Post-Issue paid up share capital
March 02, 2000	100	10/-	10/-	Acquisition through Transfer <sup>(1)</sup>	Cash out of its owned fund / Surplus	0.00	[●]
February 28, 2001	49,860	10/-	10/-	Further Issue of Shares	Cash out of its owned fund / Surplus	0.56	[●]
March 23, 2007	(49,960)	10/-	10/-	Transfer	-	(0.56)	[●]
February 03, 2010	35,00,000	10/-	10/-	Further Issue of Shares	Out of Borrowed Fund <sup>(3)</sup>	39.02	[●]
March 30, 2010	25,00,000	10/-	10/-	Further Issue of Shares	Out of Borrowed Fund <sup>(3)</sup>	27.87	[●]
November 05, 2016	8,00,000	10/-	24/-	Preferential Issue	Cash out of its owned fund / Surplus	8.92	[●]
February 09, 2017	8,00,000	10/-	24/-	Preferential Issue	Cash out of its owned fund / Surplus	8.92	[●]
March 16, 2017	9,00,000	10/-	24/-	Preferential Issue	Cash out of its owned fund / Surplus	10.03	[●]
July 14, 2017	2,20,000	10/-	17/-	Acquisition through Transfer <sup>(2)</sup>	Cash out of its owned fund / Surplus	2.45	[●]
<b>Total</b>	<b>87,20,000</b>					<b>97.21</b>	<b>[●]</b>

<sup>(1)</sup> Acquired from 20Microns Finance and Investment Limited (presently known as Eriez Industries Private Limited)

<sup>(2)</sup> Acquired from Mr. Narendra M. Patel & Ms. Panna N. Patel.

<sup>(3)</sup> Amount has been invested out of internal cash surplus from operating activity amounting to ₹3.28 Cr. and from unsecured deposits accepted from Directors and Public of ₹3.10 Cr.

#### 2) Mr. Chandresh S. Parikh

Date of Allotment /Transfer	Number of Equity Shares acquired/transferred	Face Value Per Equity Share (in ₹)	Acquisition/ Sale Price Per Equity Share (in ₹)	Nature of Transaction	Nature and Source of funds	% of Pre-Issue paid up share capital	% of Post-Issue paid up share capital
November 22, 1993	10	10/-	10/-	Subscription to MOA	Cash out of his owned	0.00	[●]

Date of Allotment /Transfer	Number of Equity Shares acquired/transferred	Face Value Per Equity Share (in ₹)	Acquisition/ Sale Price Per Equity Share (in ₹)	Nature of Transaction	Nature and Source of funds	% of Pre-Issue paid up share capital	% of Post-Issue paid up share capital
October 07, 2015	2,00,000*	10/-	15/-	Conversion of OCD <sup>(1)</sup>	fund/Savings Cash out of his owned fund/Savings	2.23	[●]
<b>Total</b>	<b>2,00,010</b>					<b>2.23</b>	<b>[●]</b>

\*Held jointly with Ms. Ilaben C. Parikh.

<sup>(1)</sup> Allotment of 2,00,000 Equity Shares of ₹ 10/- each at premium of ₹ 5/- per Equity Share to Mr. Chandresh S. Parikh & Ms. Ilaben C. Parikh pursuant to exercise of option to convert Optionally Convertible Debentures issued in the FY 2012-13.

3) **Mr. Rajesh C. Parikh**

Date of Allotment /Transfer	Number of Equity Shares acquired/transferred	Face Value Per Equity Share (in ₹)	Acquisition/ Sale Price Per Equity Share (in ₹)	Nature of Transaction	Nature and Source of funds	% of Pre-Issue paid up share capital	% of Post-Issue paid up share capital
February 07, 2003	10*	10/-	10/-	Acquisition through Transfer <sup>(1)</sup>	Cash out of his owned fund/Savings	0.00	[●]
<b>Total</b>	<b>10</b>					<b>0.00</b>	<b>[●]</b>

\*Held jointly with Ms. Ilaben C. Parikh

<sup>(1)</sup> Acquired from Mr. Bhupendra B. Parikh.

4) **Mr. Atil C. Parikh\***

Date of Allotment /Transfer	Number of Equity Shares acquired/transferred	Face Value Per Equity Share (in ₹)	Acquisition/ Sale Price Per Equity Share (in ₹)	Nature of Transaction	Nature and Source of funds	% of Pre-Issue paid up share capital	% of Post-Issue paid up share capital
March 23, 2007	28,450	10/-	10/-	Acquisition through Transfer <sup>(1)</sup>	Cash out of his owned fund/Savings	0.32	[●]
February 16, 2016	(1)	10/-	12/-	Transfer	-	(0.00)	[●]
February 19, 2016	(1)	10/-	12/-	Transfer	-	(0.00)	[●]
April 14, 2016	(1)	10/-	12/-	Transfer	-	(0.00)	[●]
June 15, 2016	(2)	10/-	12/-	Transfer	-	(0.00)	[●]
July 04, 2016	(1)	10/-	12/-	Transfer	-	(0.00)	[●]
July 19, 2016	(2)	10/-	12/-	Transfer	-	(0.00)	[●]
July 21, 2016	(1)	10/-	12/-	Transfer	-	(0.00)	[●]
August 02, 2016	(2)	10/-	12/-	Transfer	-	(0.00)	[●]
November 17, 2016	(1)	10/-	12/-	Transfer	-	(0.00)	[●]

Date of Allotment /Transfer	Number of Equity Shares acquired/transferred	Face Value Per Equity Share (in ₹)	Acquisition/ Sale Price Per Equity Share (in ₹)	Nature of Transaction	Nature and Source of funds	% of Pre-Issue paid up share capital	% of Post-Issue paid up share capital
February 09, 2017	12	10/-	12/-	Acquisition through Transfer <sup>(2)</sup>	Cash out of his owned fund/Savings	0.00	[●]
March 16, 2017	(1)	10/-	12/-	Transfer	-	(0.00)	[●]
March 23, 2017	(3)	10/-	12/-	Transfer	-	(0.00)	[●]
March 24, 2017	(3)	10/-	12/-	Transfer	-	(0.00)	[●]
March 26, 2017	(1)	10/-	12/-	Transfer	-	(0.00)	[●]
March 31, 2017	8	10/-	12/-	Acquisition through Transfer <sup>(3)</sup>	Cash out of his owned fund/Savings	(0.00)	[●]
June 06, 2017	(200)	10/-	12/-	Transfer	-	(0.01)	[●]
<b>Total</b>	<b>28,250*</b>					<b>0.31</b>	

\*Held jointly with Ms. Ilaben C. Parikh

<sup>(1)</sup> Acquired from 20 Microns Limited.

<sup>(2)</sup> Acquired 1 Equity Share each from Ms. Priti R. Gupta & Ms. Sonal R. Gupta, Ms. Niketa A. Bhavé & Mr. Amol L. Bhavé, Ms. Shobha D. Khiste & Mr. Deepak S. Khiste, Mr. Shrut P. Shah & Ms. Tejal S. Shah, Mr. Pravinchandra M. Shah & Ms. Minaxi P. Shah, Ms. Vaijaynti P. Chirpitkar & Mr. Prakash S. Chirpitkar, Mr. Narayan B. Soni & Ms. Bhartiben C. Soni & Ms. Pramilaaben C. Soni, Ms. Draupadi K. Aswani, Ms. Sarojben S. Darji & Ms. Trupti N. Darji & Ms. Nidhi N. Tailor, Mr. Divyesh V. Kansara, Ms. Pooja H. Hardikar & Mr. Gaurav H. Hardikar and Mr. Yogendrabhai K. Trivedi & Ms. Vidhi Y. Trivedi & Ms. Purviben Y. Trivedi.

<sup>(3)</sup> Acquired 1 Equity Share each from Mr. Pratima H. Salunke & Mr. Harish E. Salunke & Mr. Mitesh H. Salunke, Mr. Parth Y. Trivedi & Ms. Purvi Y. Trivedi & Ms. Pooja Y. Trivedi, Ms. Priyaben K. Gandhi, Ms. Bhanumati V. Dave & Ms. Pushpavati R. Pancholi, Ms. Meenaben J. Rana & Mr. Jagdish Rana & Mr. Vikas J. Rana, Ms. Shailja C. Paranjape & Mr. Vivek V. Paranjape & Ms. Sangita V. Paranjape, Ms. Kishori S. Nashikkar & Ms. Bhargavi S. Nashikkar and Ms. Jyotsanaben N. Patel & Mr. Narendra B. Patel.

None of the Equity Shares held by our Promoters is subject to pledge or other encumbrances.

All the Equity Shares held by our Promoters are made fully paid up on the respective date of allotment of such Equity Shares.

For details relating to Equity Shares held by our Promoters which are under lock-in, kindly refer "Promoters' Contribution and Lock-in Period" on page 72 of this DRHP.

#### b) The details of shareholding of Promoter Group and transaction(s) during preceding six months

##### 1) Aggregate shareholding of Promoters and Promoter Group:

The Promoters and Promoter Group hold following number of Equity Shares as on the date of this DRHP:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post - Issue Capital
Promoters					
1	20 Microns Limited	87,20,000	97.21	87,20,000	[●]
2	Mr. Chandresh S. Parikh	2,00,010	2.23	2,00,010	[●]
3	Mr. Rajesh C. Parikh	10	0.00	10	[●]
4	Mr. Atil C. Parikh	28,250	0.31	28,250	[●]

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
	<b>Sub-Total (A)</b>	<b>89,48,270</b>	<b>99.76</b>	<b>89,48,270</b>	<b>[●]</b>
	Promoter Group				
1	Eriez Industries Pvt. Ltd.	21,510	0.24	21,510	[●]
	<b>Sub-Total (B)</b>	<b>21,510</b>	<b>0.24</b>	<b>21,510</b>	<b>[●]</b>
	<b>TOTAL (A)+(B)</b>	<b>89,69,780</b>	<b>99.99</b>	<b>89,69,780</b>	<b>[●]</b>

Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh, directors of our Corporate Promoter, namely, 20 Microns Limited, are Promoters of our Company.

**2) Transaction(s) by Promoter Group and/or by directors of Promoters and/or by directors of our Company and their immediate relatives during six months preceding the date of this DRHP:**

No Equity Shares have been bought or sold during six months preceding the date of this DRHP by Promoter Group and/or by directors of our Promoter and/or by directors of our Company and their immediate relatives.

**3) There are no financing arrangements whereby the Promoters, Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of filing of this DRHP.**

**4. THE DETAILS OF MAJOR SHAREHOLDERS OF OUR COMPANY**

**a) Top 10 Shareholders as on the date of this DRHP**

Sr. No.	Name of Shareholders	No. of Shares held	% of pre-issue paid up equity share capital
1	20 Microns Limited	87,20,000	97.21
2	Mr. Chandresh S. Parikh	2,00,010*	2.23
3	Mr. Atil C. Parikh & Ms. Ilaben C. Parikh	28,250	0.31
4	Eriez Industries Private Limited	21,510	0.24
5	Mr. Nirakar H. Desai	196	0.00
6	Mr. Peshankumar K. Patel	20	0.00
7	Mr. Rajesh C. Parikh & Ms. Ilaben C. Parikh	10	0.00
8	Mr. Sudhir R. Parikh & Ms. Dharmistha S. Parikh	10	0.00
9	Mr. Narendrakumar R. Patel	1	0.00
10	Ms. Priya k. Gandhi	1	0.00

\*2,00,000 Equity Shares are jointly held with Ms. Ilaben C. Parikh

**b) Top 10 Shareholders 10 days before the date of this DRHP**

Sr. No.	Name of Shareholders	No. of Shares held	% of pre-issue paid up equity share capital
1	20 Microns Limited	87,20,000	97.21
2	Mr. Chandresh S. Parikh	2,00,010*	2.23
3	Mr. Atil C. Parikh & Ms. Ilaben C. Parikh	28,250	0.31
4	Eriez Industries Private Limited	21,510	0.24
5	Mr. Nirakar H. Desai	196	0.00
6	Mr. Peshankumar K. Patel	20	0.00
7	Mr. Rajesh C. Parikh & Ms. Ilaben C. Parikh	10	0.00
8	Mr. Sudhir R. Parikh & Ms. Dharmistha S. Parikh	10	0.00
9	Mr. Narendrakumar R. Patel	1	0.00
10	Ms. Priya k. Gandhi	1	0.00

\*2,00,000 Equity Shares are jointly held with Ms. Ilaben C. Parikh

**c) Top 10 Shareholders two years before the date of this DRHP**

Sr. No.	Name of Shareholders	No. of Shares held	% of pre-issue equity share capital two years before the date of this DRHP
1	20 Microns Limited	60,00,000	92.73
2	Mr. Narendra M. Patel	2,20,000	3.40
3	Mr. Chandresh S. Parikh	2,00,010*	3.09
4	Mr. Atil C. Parikh & Ms. Ilaben C. Parikh	28,448	0.44
5	Eriez Industries Private Limited	21,442	0.33
6	Mr. Rajesh C. Parikh & Ms. Ilaben C. Parikh	10	0.00
7	Mr. Sudhir R. Parikh & Ms. Dharmistha S. Parikh	10	0.00
8	Mr. Nirakar H. Desai & Ms. Krupa H. Desai	10	0.00
9	Mr. Peshank K. Patel	10	0.00
10	Mr. Himanshu Amin	10	0.00

\*2,00,000 Equity Shares are jointly held with Ms. Ilaben C. Parikh

**d) Public Shareholders holding more than 1% share capital**

As on the date of this DRHP, there are no public shareholders who hold more than 1% of the pre-Issue equity paid up share capital of our Company.

**e) Shareholding of Directors and KMPs**

Except as disclosed hereunder, none of our Directors and KMPs hold any Equity Shares of our Company as on the date of this DRHP:

Sr. No.	Name of Director & KMP	Designation	No. of Equity Shares held	% of pre-Issue shareholding
1	Mr. Chandresh S. Parikh	Director	2,00,010 <sup>(1)</sup>	2.23
2	Mr. Atil C. Parikh	CEO & Managing Director	28,250 <sup>(2)</sup>	0.31
3	Mr. Rajesh C. Parikh	Director	10 <sup>(2)</sup>	0.00
4	Mr. Sudhir R. Parikh	Director	10 <sup>(3)</sup>	0.00
5	Mr. Nirakar H. Desai	President – Marketing	196	0.00
6	Mr. Narendrakumar R. Patel	CFO	1	0.00
<b>Total</b>			<b>2,28,477</b>	<b>2.55</b>

<sup>(1)</sup> 2,00,000 Equity Shares are jointly with Ms. Ilaben C. Parikh.

<sup>(2)</sup> Jointly with Ms. Ilaben C. Parikh.

<sup>(3)</sup> Jointly with Ms. Dharmistha S. Parikh

## 5. SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on the date of this DRHP is set forth below:

Cate gory	Category of shareholder	Numbe r of shareh olders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of share s under lying Depos itory Recei pts	Total nos. shares held	Shareho lding as a % of total no. of shares (calculat ed as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlyi ng Outstand ing convertib le securities (includin g Warrant)	Shareholdi ng , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateri alised form
								No of Voting Rights			Total as a % of (A+B +C)			No. (a)	As a % of total Share s held (b)	No. (a)	As a % of total Shares held(b)	
								Class eg: Equity Shares	Clas s eg: Oth ers	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V) + (VI)	(VIII)As a % of (A+B+C 2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	5	89,69,780	0	0	89,69,780	99.99	89,69,780	0	89,69,780	99.99	0	99.99	0	0.00	0	0.00	89,69,780
(B)	Public	18	240	0	0	240	0.01	240	0	240	0.01	0	0.01	0	0.00	0	0.00	30
(C)	Non Promoter - Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total	23	89,70,020	0	0	89,70,020	100.00	89,70,020	0	89,70,020	100.00	0	100.00	0	0.00	0	0.00	89,69,810

## 6. PROMOTERS' CONTRIBUTION AND LOCK-IN PERIOD

In terms of Regulation 32 of SEBI ICDR Regulations, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company. 20 Microns Limited, our Corporate Promoter, has vide its letter dated March 6, 2018 consented to hold the required minimum promoters' contribution.

### Eligibility of Equity Shares forming part of minimum promoters' contribution

In terms of Regulation 33 of SEBI ICDR Regulations, our Company confirms that none of the Equity Shares forming part of minimum promoters' contribution –

- a. Are acquired by our Promoters, during preceding three financial years:
  - For consideration other than cash and where revaluation of assets or capitalization of intangible assets was involved; or
  - Through bonus issue of Equity Shares made by utilizing the revaluation reserves or unrealized gain or through bonus issue against equity shares which are ineligible for minimum promoters' contribution;
- b. Are pledged by our Promoters with any creditor;
- c. Consist of Equity Shares issued to our Promoters during preceding one year at a price lower than the Issue Price.

Further, our Company was incorporated under the Companies Act, 1956 and was not incorporated by converting the partnership firm(s).

The minimum promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations.

### Lock-in period

#### A. Equity Shares held by Promoters:

In terms of Regulation 36 of SEBI ICDR Regulations, minimum promoters' contribution will be locked-in for a period of three years from the date of Allotment or date of commencement of commercial production, whichever is later and the Equity Shares held by Promoters of our Company in excess of minimum promoters' contribution will be locked-in for a period of one year from the date of Allotment.

The details of Equity Shares which are being locked in for a period of three years from the date of Allotment in the present Issue or date of commencement of commercial production, whichever is later are set forth hereunder:

Name of Promoter	No. of Equity Shares Locked in	Face Value (in ₹)	Date of Acquisition and when made fully paid-up	Mode of Acquisition	Consideration (Cash/other than cash)	% of post-Issue paid-up capital
20 Microns Limited	[●]	[●]	[●]	[●]	[●]	[●]

*The details of Equity Shares to be kept under lock-in shall be finalised upon determination of the Issue Price, consequent to the Book Building Process. For details relating to the build-up of share capital of each Promoters of our Company, kindly refer to Point 3(a) above - "History of Equity Share capital held by our Promoters" on page 66 of this DRHP.*

Our Promoters have confirmed that the acquisition of the Equity Shares forming part of the Promoter's Contribution have been financed from owned funds/surpluses and no loans or financial assistance from any banks or financial institution has been availed for this purpose.

Our Promoters have, vide their letters dated March 6, 2018, given undertaking that they will keep their shareholding under lock-in for the period mentioned hereinbefore and shall not sell or dispose off or transfer the same save as permissible under Regulations 39 and 40 of the SEBI ICDR Regulations.



Total shareholding of our Promoters, post completion of the present Issue, will be 89,48,270 Equity Shares, constituting [●] % of post Issue paid up equity share capital of our Company.

**B. Equity Shares held by persons other than Promoters:**

In terms of regulation 37 of SEBI ICDR Regulations, entire pre-Issue equity share capital of our Company held by persons other than our Promoters will be locked-in for a period of one year from the date of Allotment in the Issue.

The Equity Shares which are under lock-in shall carry inscription “non-transferable” on the face of share certificate along with the period of lock-in and in respect of Equity Shares which in dematerialized form, the lock-in will be recorded by the respective depository.

**Other requirements in respect of Lock-in**

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institutions, subject to fulfilment of following conditions:

- i) In respect of Equity Shares which are locked in for a period of one year, the pledge of the Equity Shares is one of the terms of the sanction of the loan;
- ii) In respect of Equity Shares which are locked in for a period of one year, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the SEBI Takeover Regulations, as applicable.

7. Our Company, our Directors, our Promoters and the BRLM have not entered into any buy-back and/or standby and/ or safety net and/or similar arrangements for the purchase of Equity Shares from any person.
8. Neither the BRLM nor any associate thereof hold Equity Shares in our Company.
9. Except as stated hereinabove and as disclosed in the chapter titled “*Our Management*” beginning on page 143 of this DRHP, none of our Directors or Key Management Personnel holds any Equity Shares in our Company.
10. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
11. Our Company does not have any employee stock option or employee stock purchase scheme.
12. As on the date of this DRHP, our Company has 23 shareholders.
13. As on the date of filing of this DRHP, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Issue.

**14. Pre-IPO Placement:**

Our Company, in consultation with the BRLM, may consider the allotment of [●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ 500 Lakh on private placement

basis, prior to filing of RHP with the Registrar of Companies, Ahmedabad. In case the Pre-IPO Placement is made by our Company, the size of the Issue as disclosed herein will be reduced to the extent of Pre-IPO Placement subject to compliance with Rule 19(2)(b) of SCRR.

Except for the abovementioned Pre-IPO Placement, no further issue of capital by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner which will affect the equity capital of our Company, shall be made during the period commencing from the filing of this DRHP to the date on which the Equity Shares allotted pursuant to the Issue are listed or application moneys refunded on account of the failure of the Issue.

15. The Equity Shares offered in the present Issue will be fully paid up at the time of allotment.
16. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
17. An over-subscription to the extent of 10% of the Net Issue to Public can be retained by our Company for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. In such an event, the amount of post Issue paid equity share capital of our Company will be increased to the extent of over-allotment.
18. The present Issue is made in terms of chapter XB of SEBI ICDR Regulations read with Rule 19(2)(b) of SCRR wherein not less than 25% of post Issue paid up equity share capital of our Company is being offered to the public for subscription.
19. Except for reservation of [●] Equity Shares made in favour of Market Maker, no reservation of Equity Shares offered in the present Issue is made in favour of any other person(s).
20. The allocation and allotment in Retail Individual Investors Category and Other Investors Category shall be decided by our Company in consultation with the BRLM and Designated Stock Exchange subject to compliance with the provisions of SEBI ICDR Regulations. In case of under-subscription in either category, spill-over to the extent of under-subscription from other category will be made.
21. Our Company shall ensure that transactions in Equity Shares by our Promoters and members of the Promoter Group, if any, between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date are reported to the Stock Exchange within 24 hours of such transactions being completed.
22. Our Company shall comply with such disclosures and accounting norms as specified by SEBI from time to time.
23. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by our Company or Promoters, to the persons who are allotted Equity Shares pursuant to the Issue.
24. Our Company has not raised any bridge loan against the proceeds of the Issue.

## OBJECTS OF THE ISSUE

The proceeds of the Issue, after deducting the Issue related expenses (the “Net Proceeds”), are estimated to be approximately ₹ [●] Lakh.

The Net Proceeds of the Issue are proposed to be deployed for financing the following objects:

1. To fund the capital expenditure for setting up new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat.
2. General Corporate Purposes;

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on the SME Platform of NSE (“NSE EMERGE”) to enhance our visibility and brand.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities as well as the activities for which the funds are being raised by us through the present Issue.

### Details of the Net Proceeds of the Issue:

		(₹ In Lakh)
Particulars		Estimated Amount
Gross proceeds of the Issue		Not exceeding 2,100.00*
(Less) Issue related expenses		[●]
<b>Net Proceeds of the Issue</b>		<b>[●]</b>

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

### Proposed utilization of the Net Proceeds of the Issue:

The intended use of Net proceeds of the Issue is summarized in the table below:

					(₹ In Lakh)
Object No.	Particulars	Amount*	% of the Gross Proceeds of the Issue	% of the Net Proceeds of the Issue	
1	To fund the capital expenditure for setting up new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat*	2,057.00	[●]	[●]	
2	General corporate purposes**	[●]	[●]	[●]	
	<b>Total</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	

\* The quotations / proposals from foreign suppliers are quoted in USD, assuming an exchange rate of 1 USD = ₹ 65.0375 (As on March 19, 2018). The estimated cost mentioned above may undergo a modification due to exchange rate fluctuation.

\*\*The amount to be deployed towards General Corporate Purposes will be determined on finalization of the Issue Price

### Means of Finance

Our Company plans to meet the requirement of funds for the stated objects of the Issue from the Net Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 4(2) (g) of the SEBI ICDR Regulations and Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

			(₹ In Lakh)
Sr. No.	Particulars		Amount
1.	Net Proceeds of the Issue		[●]
	<b>Total</b>		<b>[●]</b>

Our fund requirements and deployment thereof are based on the estimates of our management. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances

or costs, or in our financial condition and business or strategy. Our management, in response to the dynamic nature of the industry, will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

#### Funds Deployed:

M/s. K M Swadia & Company, Chartered Accountants, vide their certificate dated February 14, 2018, have confirmed that our Company has incurred the following expenditure on the project till January 31, 2018, which have been funded from the internal accruals of our Company. The following are the details of the utilization:

(₹ In Lakh)		
Sr. No.	Activity	Amount deployed till January 31, 2018
1.	To fund the capital expenditure for setting up new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat	46.25
2.	Issue Expenses	20.80
<b>Total</b>		<b>67.05</b>

Our Company intends to replenish the funds deployed through internal accruals from the Gross Issue proceeds.

#### Proposed Deployment of Funds

Our Company plans to deploy the funds towards the above stated Objects during FY 2018 and FY 2019, depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year. Our Company plans to deploy the funds as follows:

(₹ In Lakh)					
Sr. No.	Activity	Amount deployed till January 31, 2018	Amount proposed to be further deployed in FY 2018	Amount proposed to be deployed in FY 2019	Total Amount
1.	To fund the capital expenditure for setting up new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat	46.25	-	2,010.75	2,057.00
2.	General corporate purposes*	-	-	[●]	[●]
3.	Issue expenses	20.80	-	[●]	[●]
<b>Total</b>		<b>67.05</b>	<b>-</b>	<b>[●]</b>	<b>[●]</b>

\*The amount to be deployed towards General Corporate Purposes will be determined on finalization of the Issue Price.

#### Details of the Objects:

##### (1) To fund the capital expenditure for setting up new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat

We intend to utilize ₹ 2,057.00 Lakh from the Net proceeds of the Issue for setting up new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat. The new manufacturing facility would add manufacturing capacity for our new products: (i) Micronized Wax: Cryogenic (ii) Coloured Mica: Organoclay Plant (iii) Fumed Silica: Flash Calcination as well as to increase the manufacturing capacity for our existing products: (i) Non Micronized Wax: Spray Cooler (ii) Bentonite: Organoclay Plant (iii) Organoclay: Organoclay Plant (iv) Attapulgit: Flash Calcination (v) Diatomaceous Earth: Flash Calcination, as per the following:

(Units in MTPA)

Sr. No.	Product	Functional Additives (FA)	Chemically Modified Minerals (CMM)	Total
1.	Non Micronized Wax (Spray Cooler)	3,600	-	3,600
2.	Micronized Wax (Cryogenic)	3,000	-	3,000
3.	Bentonite (Organoclay Plant)	-	3,000	3,000
4.	Organoclay (Organoclay Plant)	-	2,400	2,400
5.	Coloured Mica (Organoclay Plant)	600	-	600
6.	Attapulgite (Flash Calcination)	-	1,400	1,400
7.	Fumed Silica (Flash Calcination)	1,000	-	1,000
8.	Diatomaceous Earth (Flash Calcination)	-	600	600
	<b>Total</b>	<b>8,200</b>	<b>7,400</b>	<b>15,600</b>

The detailed bifurcation of cost is as follows:

Sr. No.	Particulars	Amount
1.	Land	Owned
2.	Buildings, other civil Construction and electrification	392.05
3.	Plant and machinery	1,564.95
4.	Pre-operative expenses & contingencies	100.00
	<b>Total</b>	<b>2,057.00</b>

**(i) Land**

Our Company already owns the land located at Plot 336, GIDC Waghodia, Vadodara, Gujarat on which we intend to set up our new manufacturing facility. The said land has been taken on lease from GIDC for a period of 99 years i.e. for a period up to March 29, 2099. The total land area comprises of approximately 10,598 square meters. Since our Company already owns the entire land, there will be no further cost for acquisition of the land.

**(ii) Buildings, other civil construction and electrification**

The total construction area is estimated at 11,363 square feet. As per the quotation received from Aric Infracore Private Limited for construction of building & other civil construction and as per the quotation received from Gayatri Electricals for electrification, the estimated cost of building, other civil construction and electrification is estimated at ₹ 392.05 Lakh. All the manufacturing activities will be undertaken in a permanent building / shed. The detailed bifurcation of cost is as follows:

Sr. No.	Particulars	Unit	Quantity	Rate per Unit (In ₹)	Amount (₹ in Lakh)
1.	RCC Floor	Square Feet	27,000.00	165	44.55
2.	Shed Work	Square Feet	19,012.00	1,000	190.12
3.	Machine Foundation	Number	3.00	7,50,000	22.50
4.	Gas Bank	Square Feet	344.27	1,350	4.65
5.	Store Room	Square Feet	543.17	1,100	5.97
6.	Lavatory	Square Feet	112.00	900	1.01
7.	Security Cabin	Square Feet	100.00	700	0.70
8.	Main Gate	Number	1.00	50,000	0.50
	<b>Sub Total</b>				<b>270.00</b>
5.	Electrification	Various			122.05
	<b>Total</b>				<b>392.05</b>

(Source: Quotations received by our Company and management estimation letter dated March 19, 2018)

**(iii) Plant and Machinery**

On the basis of the quotations received from the suppliers, the estimated total cost of plant & machinery is estimated at ₹ 1,564.95 Lakh. We do not plan to purchase any second hand plant and machinery. We have not yet placed the requisite orders for the entire plant and machinery. The detailed bifurcation of cost is as follows:

**(a) Imported Plant and Machineries**

Sr. No.	Plant & Machinery	Name of Supplier	Quotation Date	Quantity	Amount (USD)*	Amount (₹ in Lakh)
1.	Cryogenic Grinding Mill	Weifang Zhengyuan Powder Engineering Company Limited	February 23, 2018	1.00	5.50	470.21
2.	Organoclay Plant	Weifang Zhengyuan Powder Engineering Company Limited	February 08, 2018	1.00	5.40	463.44
<b>Total</b>				<b>2.00</b>	<b>10.90</b>	<b>933.65</b>

\* The quotations / proposals from foreign suppliers are quoted in USD, assuming an exchange rate of 1 USD = ₹ 65.0375 (As on March 19, 2018). The estimated cost mentioned above may undergo a modification due to exchange rate fluctuation. Cost includes erection and commissioning charges.

(Source: Quotations received from foreign suppliers and management estimation letter dated March 19, 2018)

**(b) Indigenous Plant and Machineries**

						(₹ In Lakh)
Sr. No.	Plant & Machinery	Name of Supplier	Quotation Date	Quantity	Amount*	
1.	Spray Cooler Plant	Shree Krishna Tech Mech Private Limited	17-Oct-17	2.00	234.65	
2.	Packaged Chilling Plant	Shree Krishna Tech Mech Private Limited	17-Oct-17	2.00	36.74	
3.	Spin Flash Dryer Plant	Shree Krishna Tech Mech Private Limited	17-Oct-17	1.00	307.99	
4.	Filter Test Machine	Darteno Industries	17-Mar-18	1.00	16.52	
5.	Twin Screw Extruder	Darteno Industries	17-Mar-18	1.00	35.40	
<b>Total</b>				<b>7.00</b>	<b>631.30</b>	

\*Cost includes erection and commissioning charges, packing charges and GST.

(Source: Quotations received from domestic suppliers and management estimation letter dated March 19, 2018)

**(iv) Pre-operative expenses and contingencies**

We have assumed other pre-operative expenses and contingencies to be around ₹ 100.00 Lakh. Accordingly, a provision of ₹ 100.00 Lakh for such pre-operative expenses and contingencies has been made in the total cost.

**(2) General Corporate Purposes**

Our Company plans to deploy the balance Net Proceeds (after utilising the Net Proceeds for the stated objects aggregating to ₹ [●]) towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations, including but not limited to strategic initiatives, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

### (3) Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

Sr. No.	Particulars	Estimated expenses (₹ in Lakh)	As % of total estimated Issue Expense	As % of total Issue Size
1.	Payment to Merchant Banker including fee and reimbursements of market making fee, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers & out of pocket expenses.	[•]	[•]	[•]
2.	Printing & Stationery and Postage Expenses	[•]	[•]	[•]
3.	Marketing and Advertisement Expenses	[•]	[•]	[•]
4.	Regulatory fees and other expenses	[•]	[•]	[•]
5.	Other Miscellaneous expenses	[•]	[•]	[•]
	<b>Total estimated Issue Expenses</b>	[•]	[•]	[•]

### Implementation Schedule

Our Company plans to deploy the funds towards the above stated Objects during FY 2018 and FY 2019, depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. The detailed schedule of implementation for our stated objects is as follows:

Sr. No.	Activity	Estimated Commencement (Month, Year)	Estimated Completion (Month, Year)
1.	To fund the capital expenditure for setting up new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat		
(i)	Acquisition of Land	Already completed	Already completed
(ii)	Civil Work		
	- Construction of Building	May 2018	December 2018
	- Machine Foundation	May 2018	December 2018
(iii)	Placement of orders for Plant & Machinery	May 2018	June 2018
(iv)	Receipt of Machinery	December 2018	January 2019
(v)	Erection of Equipment	December 2018	January 2019
(vi)	Trial Run	February 2019	February 2019
(vii)	Commencement of Commercial production	March 2019	March 2019
2.	General Corporate Purposes*	June 2018	June 2018
3.	Issue expenses	[•]	[•]

\*The amount deployed towards General Corporate Purposes will be determined on finalization of the Issue Price.

### 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 Facilities or other financial arrangements

As on the date of this DRHP, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

**Interim use of proceeds**

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds of the Issue pending utilization for the purposes stated in this section shall be deposited only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

**Variation on Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the shareholders by way of Special Resolution through postal ballot. 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 prescribed by SEBI, in this regard.

**Shortfall of Funds**

In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

**Monitoring of Issue proceeds**

As the size of the Issue will not exceed ₹ 10,000 Lakh, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Proceeds through our audit committee. 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.

**Other confirmations**

There is no material existing or anticipated transactions with our Promoters, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.



## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the chapter titled “Our Business” and its financial statements under the section titled “Financial Information” beginning on pages 17, 112 and 168 respectively of this DRHP.

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value at the Floor Price of the Price Band and [●] times of the face value at the Cap Price of the Price Band.

## QUALITATIVE FACTORS

We believe the following are our key strengths:

- (1) Diversified product portfolio
- (2) Diversified user industries
- (3) Support of our holding company
- (4) Product innovation and continuous R&D
- (5) Strong management team
- (6) Import Substitution

For further details, kindly refer the section titled “Risk Factors” beginning on page 17 of this DRHP and the chapter titled “Our Business” beginning on page 112 of this DRHP.

## QUANTITATIVE FACTORS

Some of the information presented in this section relating to our Company is derived from the Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. Some of the quantitative factors, which form the basis for computing the Issue Price, are as follows:

### 1. Basic and Diluted Earnings per Share (“EPS”)

As per our Restated Financial Statements:

Sr. No.	Financial Year / Period Ended	Basic EPS (₹)	Diluted EPS (₹)	Weights
1.	March 31, 2017	2.43	2.43	3
2.	March 31, 2016	1.46	1.45	2
3.	March 31, 2015	2.47	2.43	1
	<b>Weighted Average</b>	<b>2.11</b>	<b>2.10</b>	
	<b>6 Month Period Ended September 30, 2017*</b>	<b>1.48</b>	<b>1.48</b>	

\* Not annualised

Notes:

- (i) The figures disclosed above are based on the Restated Financial Statements. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in ANNEXURE – V beginning on page 186 of this DRHP.
- (ii) Basic EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
- (iii) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights].
- (iv) Basic Earnings per share = Profit/Loss after tax (as restated) attributable to equity shareholders for the periods / Weighted average number of equity shares.
- (v) Diluted Earnings per share = Profit/Loss after tax (as restated) attributable to equity shareholders for the periods (after adjustments for diluted earnings) / Weighted average number of diluted equity shares.
- (vi) The face value of each Equity Share is ₹ 10.00.

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

Sr. No.	Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
1.	Based on the Basic EPS for FY 2017 (As per Restated Financial Statements)	[●]	[●]
2.	Based on the Diluted EPS for FY 2017 (As per Restated Financial Statements)	[●]	[●]
3.	Based on the Weighted Average Basic EPS for past 3 financial years (As per Restated Financial Statements)	[●]	[●]
4.	Based on the Weighted Average Diluted EPS for past 3 financial years (As per Restated Financial Statements)	[●]	[●]

**Industry (P/E) Ratio**

We believe that there are no comparable listed companies of our size in India, which are solely engaged in the processing specialty chemicals similar to our products. Hence, the Industry PE ratio cannot be ascertained by us.

**3. Return on Net Worth (RONW)**

Return on net worth as per Restated Financial Statements:

Sr. No.	Period/Year ended	RONW (%)	Weight
1.	March 31, 2017	9.70%	3
2.	March 31, 2016	8.78%	2
3.	March 31, 2015	17.12%	1
<b>Weighted Average</b>		<b>10.63%</b>	
<b>6 Month Period September 30, 2017*</b>		<b>6.90%</b>	

\* Not annualised

Notes:

- Return on Net Worth (%) = Net Profit after Taxation (as restated) divided by Net worth at the end of the period.
- Net worth has been computed as the aggregate of share capital and reserves and surplus (as restated) at the end of the period.
- Net Profit after Taxation has been computed as the Net Profit as per the Statement of Profit & Loss (as restated) for the period.
- Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights]

**4. Minimum Return on Total Net Worth after Issue needed to maintain pre-Issue EPS for FY 2017:**

Sr. No.	Particulars	At the Floor Price	At the Cap Price
	Minimum Return on Total Net Worth to maintain Pre-Issue EPS		
1.	Basic EPS for FY 2017 (As per Restated Financial Statements)	[●]	[●]
2.	Diluted EPS for FY 2017 (As per Restated Financial Statements)	[●]	[●]

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

As per Restated Financial Statements:

Sr. No.	As at	NAV (₹)	At the Floor Price	At the Cap Price
1.	March 31, 2017 (₹)	20.09		
2.	September 30, 2017 (₹)	21.45		

Sr. No.	As at	NAV (₹)	At the Floor Price	At the Cap Price
	NAV after the Issue (₹)		[●]	[●]
	Issue Price (₹)		[●]	[●]

Notes:

- (i) *The Issue Price will be determined on conclusion of the Book Building Process.*
- (ii) *NAV has been computed as Net Worth as per the Restated Financial Statements / number of Equity Shares outstanding as at the end of period.*
- (iii) *Net worth has been computed as the aggregate of share capital and reserves and surplus (as restated) at the end of the period.*
- (iv) *The face value of each Equity Share is ₹ 10.00.*

#### **6. Comparison of accounting ratios with other listed companies**

We believe that there are no comparable listed companies in India, which are engaged in the processing specialty chemicals similar to our products. There are listed companies who process specialty chemicals but their products are not similar. Hence, the accounting ratios are not considered for comparing with industry peers.

- 7. Our Company in consultation with the BRLM believes that the Issue Price of ₹ [●] per share is justified in view of the above parameters.

Investors should read the above summary with the section titled “Risk Factors”, the details about our Company under the chapter titled “Our Business” and its financial statements under the section titled “Financial Information” beginning on pages 17, 112 and 168 respectively of this DRHP.

## **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

December 30, 2017

To,

**The Board of Directors**

20 Microns Nano Minerals Limited

9/10, GIDC Industrial Estate,

Waghodia – 391 760.

Dist. Vadodara

Gujarat, India.

Subject: Statement of possible special tax benefits ('the Statement') available to 20 Microns Nano Minerals Limited ('the Company') and its Shareholders prepared in accordance with the requirement in SCHEDULE VIII – CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('the Regulations')

Dear Sirs,

We refer to the proposed issue of the shares of 20 Microns Nano Minerals Limited ("the Company"). We enclose herewith the Statement showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961, as applicable to the assessment year 2018-19 relevant to the financial year 2017-18 for inclusion in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (together the "Offer Documents") for the proposed issue of Equity Shares.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. Hence the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Statement are neither exhaustive nor conclusive and cover only special tax benefits available and do not cover any general tax benefits available to the Company and to its shareholders. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This Statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (the "Offer"). We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this Statement.

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

1. The Company or its shareholders will continue to obtain these benefits in future;
2. The conditions prescribed for availing the benefits have been/ would be met;
3. The revenue authorities/ courts will concur with the views expressed herein.

We hereby give our consent to include enclosed Statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the Offer which the Company intends to submit to the Securities and Exchange Board of India, Registrar of Companies and Stock Exchanges provided that the below Statement of limitation is included in the Offer Document.

### **LIMITATIONS**

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the Statement.

This Statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

**For K. M. Swadia & Co.**  
**Chartered Accountants**  
**(Firm's Registration No. 110740W)**

**Pravin Panchiwala**  
**Partner**  
**Membership No.127406**

**Place: Vadodara**  
**Date: December 30, 2017**

## **Annexure**

Statement of possible special tax benefits available to 20 Microns Nano Minerals Limited (“the Company”) and to its shareholders.

### **1. Under the Income-tax Act, 1961 (“the Act”)**

#### **A. Special tax benefits available to the Company**

There are no special tax benefits available to the Company.

#### **B. Special tax benefits available to the shareholders of the Company**

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

Notes:

1. The above is position as per the current tax law as amended by the Finance Act, 2017.
2. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

**For K. M. Swadia & Co.  
Chartered Accountants  
(Firm's Registration No. 110740W)**

**Pravin Panchiwala  
Partner  
Membership No.127406**

**Place: Vadodara  
Date: December 30, 2017**

## SECTION IV - ABOUT THE COMPANY

### 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 industry sources, including reports that have been prepared by CRISIL Limited ("CRISIL") that have the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and / or registration to carry out its business activities in this regard. 20 Microns Nano Minerals Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval."

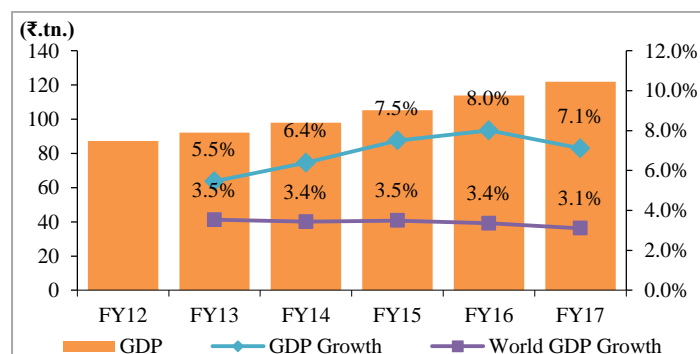
The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications that have been relied upon may alter their assumptions and may change their forecasts. We or the BRLM may not be able to update or alter such data immediately or at all. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect or may not be consistent across sources. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

#### Overview of a macroeconomic scenario in India

##### (A) Review and outlook on GDP growth

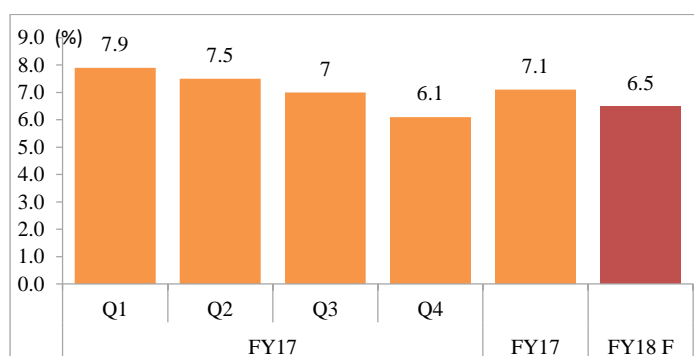
India adopted a new base year (FY12) for calculating the gross domestic product (GDP) based on which the GDP in nominal terms shot up from Rs 87 trillion in fiscal 2012 to Rs 122 trillion in fiscal 2017, representing a compound annual growth rate (CAGR) of 6.9%. As per the Central Statistics Office (CSO), India's GDP grew 7.1% in fiscal 2017, well above the world average of 3.1% but down from 8% in fiscal 2016. One of the major reasons for this was the impact of demonetisation.

##### (a) Real GDP growth (new GDP series)



Source: CSO, CRISIL Research

**(b) Real GDP growth (% y-o-y)**

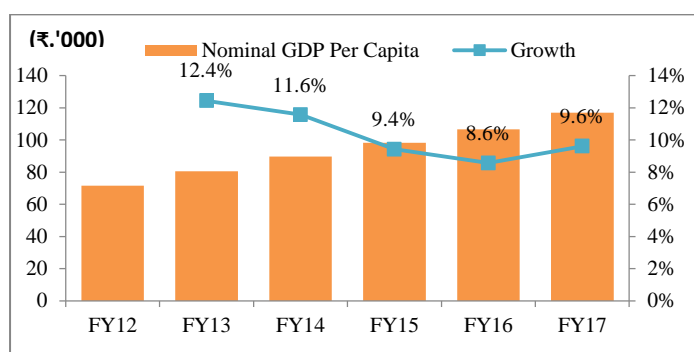


Source: CSO, CRISIL Research

**(c) GDP grew 6.9% CAGR over past five years**

India adopted a new base year (FY12) to calculate GDP, based on which absolute GDP shot up to Rs 122 trillion in 2016-17 from Rs 87 trillion in 2011-12; representing a 6.9% CAGR. The CSO released the GDP estimates for the fourth quarter of fiscal 2017 and for the entire fiscal year at the end of May 2017. This was the first GDP release incorporating the new fiscal 2012-based Wholesale Price Index (WPI) and Index of Industrial Production (IIP) series. Contrary to an across-the-board expectation of a rise in real GDP growth for fiscal 2017 on account of a higher share of IIP and lower WPI in the new series, real GDP growth fell to 7.1% because of the impact of demonetisation and the fact that the deflator in the fourth quarter had risen sharply. Different components of GDP in fiscal 2017, too, saw changes in their growth estimates on the demand as well as supply sides.

**(d) Nominal per capita GDP growth**



Source: CSO, CRISIL Research

Private consumption is the largest contributor to GDP (58%). The nominal per capita GDP growth, which is used as a proxy for income growth, rose to 9.6% on-year in fiscal 2017. Correspondingly, the nominal per capital private final consumption expenditure, which is used as a proxy for consumer spending, also grew 11.2% on-year despite demonetisation. This indicated a pick-up in consumer demand, after consecutive years of a decline in spending growth.

**(e) Supply side real GDP growth (% y-o-y)**

At basic prices	FY13	FY14	FY15	FY16	FY17	FY18 AE
Agriculture and allied	1.5	5.6	-0.3	0.7	4.9	2.1
Industry	3.4	4.2	6.9	8.8	5.6	4.4
o/w Manufacturing	5.9	5.1	7.5	10.8	7.9	4.6
Mining	-0.6	3.1	14.7	10.5	1.8	2.9
Services	8.3	7.7	9.5	9.7	7.7	8.3

Source: CSO, CRISIL Research

Note: AE - Advanced Estimates



**(f) Demand side real GDP growth (% y-o-y)**

At market prices	FY13	FY14	FY15	FY16	FY17	FY18 F
Private consumption	5.3	7.4	6.8	6.1	8.7	6.3
Government consumption	0.7	0.6	9.4	3.3	20.8	8.5
Fixed investment	4.8	1.8	4.1	6.5	2.4	4.5
Exports	6.8	7.8	1.7	-5.3	4.5	4.5
Imports	6	-8.1	0.8	-5.9	2.3	10.0

Source: CSO, CRISIL Research

Real GDP growth is estimated to slow down to 6.5% in fiscal 2018 from 7.1% a year ago. While consumption would continue to drive growth, investment is expected to rise slowly. Private consumption is estimated to grow at 6.3% over a high base of 8.7% and remain the largest contributor to GDP (55.7% share). Interest rate reduction, pent-up demonetisation demand, pay commission implementation by the states and moderate inflation are the factors supporting private consumption. Gross fixed capital formation or new investments are estimated to grow 4.5% this fiscal, up from 2.4% a year ago, on expectations of some push from the government capex and FDI investments. That said, share of investments in GDP is estimated to decline to 29% from 29.5% in last fiscal, suggesting that under-utilised capacities in manufacturing and stretched corporate balance sheets continue to deter private capex revival. Companies prefer to use their profits to pare down debt rather than invest in new or existing ventures.

Gross value-added (GVA) growth, which measures the economy from producer or supply side, also indicated a similar trend and grew at a slower pace to 6.1% this fiscal from 6.6% a year ago. Here, the services sector acted as the anchor, as both agriculture and industry saw their growth declining significantly. Except for the high base of last fiscal, agricultural growth at 2.1% seems to be on the lower side, given that both Kharif production and Rabi sowing are only marginally lower compared with last fiscal. Manufacturing growth slowed down to 4.6% from 7.9% on account of disruptions caused by GST implementation and the lingering effects of demonetisation. Services sector, on the other hand, displayed a broad-based improvement, with growth improving to 8.3% from 7.7%. Both, trade, hotels, transport, communication and services related to broadcasting and financial services, real estate and professional services are estimated to grow faster this fiscal.

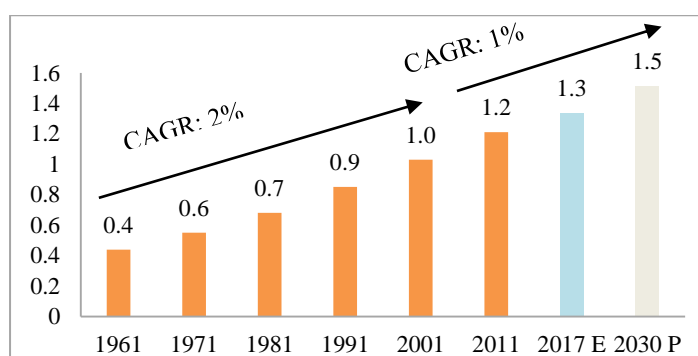
It is important to note that the government believes robust tax collections this fiscal, despite the recent episode of a slowdown in GST collections. Net taxes on products are estimated to grow at 10.9% --, increasing their share in GDP to 8.6% this fiscal from 8.2% -- broadly suggesting an improved tax base and or compliance in the new taxation regime.

**(B) Population growth and urbanisation**

**(a) Population on the rise, urbanisation climbs 31%**

As per the Census 2011, India's population was about 1.2 billion and comprised nearly 246 million households. Population grew by a CAGR of 1.6% during 2001-2011. According to United Nations population estimates and projects in 'The 2017 Revision of the World Population Prospects' report, India (2<sup>nd</sup> to China) along with China remains the two most populous countries in the world. The report further projects India's population to grow at a CAGR of 1.2% by 2030 (1.5 billion by 2030) to become the world's most populous country surpassing China (1.4 billion in 2030).

**(b) India's population growth (In Million)**



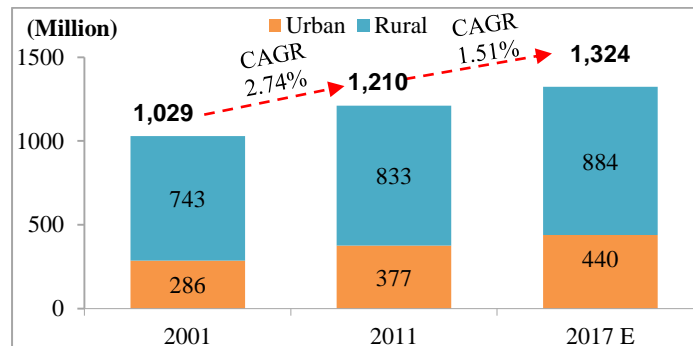
P: Projected

Note: Figures stated above are in calendar year

Source: World Population Prospects: The 2017 Revision, United Nations, CRISIL Research

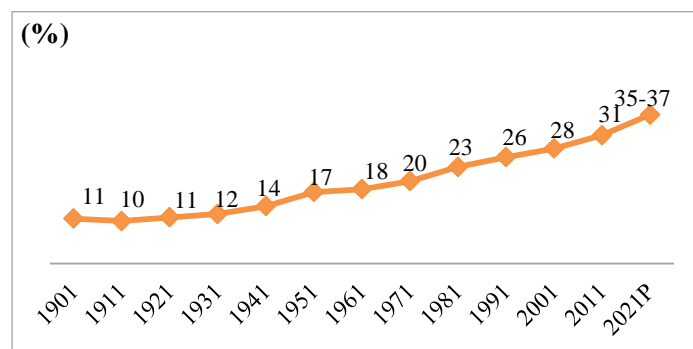
Share of urban population in relation to the total population has been consistently rising over the years and was about 31% in 2011. People from rural areas migrate to cities for better job opportunities, education, better life, etc. Entire families or only a few people (generally earning member or students) may migrate, while a part of the family will continue to hold on to the native house. A United Nations report, World Urbanisation Prospects: The 2011 Revision, expects nearly 36% of the country's population will live in urban areas by 2020.

### (c) Population growth



Source: Census, CRISIL Research

### (d) Urban population as a percentage of total population

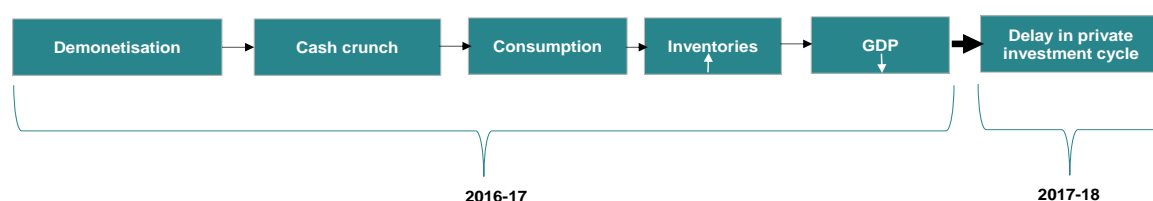


P: Projected

Source: Census 2011, World Urbanisation Prospects: The 2011 Revision (UN), CRISIL Research

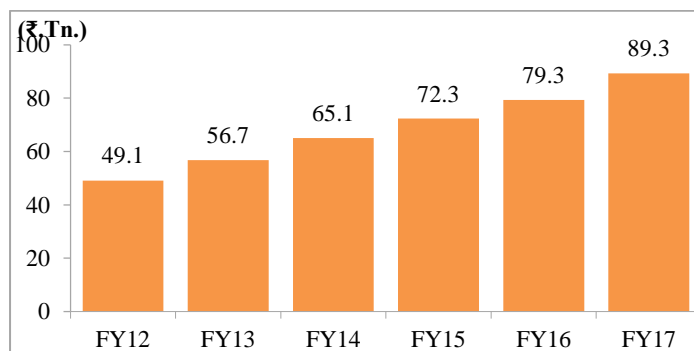
### (C) Private final consumption growth (from FY12)

Final consumption expenditure grew to Rs 97.75 trillion in fiscal 2018 from Rs 59 trillion in fiscal 2012, registering a CAGR of 9%.



We have seen that private consumption contributes the largest share (58%) to GDP. While it is difficult to quantify the exact impact of demonetisation, it was definitely negative in the short run. While most essential items have seen demand return to normal, discretionary spends have been slower to recover.

### Final consumption expenditure growth (new series)



Source: CSO, CRISIL Research

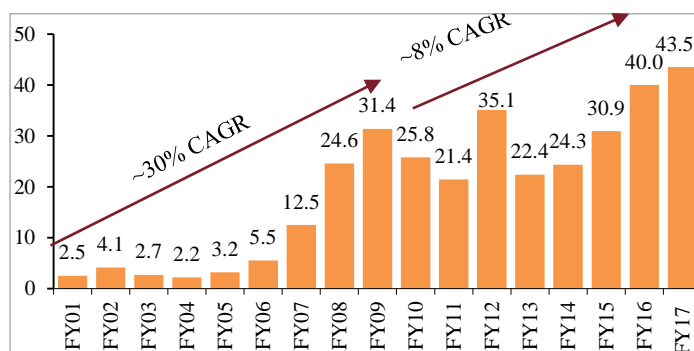
At current prices, private final consumption expenditure (PFCE) is estimated at Rs 97.75 trillion in fiscal 2018 as against Rs 89.27 trillion a year ago. At constant (FY12) prices, it is estimated at Rs 72.38 trillion as against Rs 68.07 trillion.

### (D) Past trend in FDI inflows

In 1990, the government along with the help of World Bank and the International Monetary Fund introduced macroeconomic stabilisation and structural adjustment programme to tide over the balance of payment crisis. As a result of these reforms, India opened its door to foreign direct investments (FDI) and adopted a more liberal foreign policy in order to restore the confidence of foreign investors. Further, under the new foreign investment policy, the government constituted the Foreign Investment Promotion Board (FIPB), whose main function was to invite and facilitate foreign investment. The FIPB ceased to exist as per the decision taken by the finance ministry in 2017. The government has now empowered individual departments to clear FDI proposals in consultation with the Department of Industrial Policy and Promotion (DIPP), with set timelines. From a baseline of less than \$1 billion in 1990, India has become one of the most important FDI destinations in the world.

FDI inflows have grown rapidly at 18% CAGR to reach \$43.5 billion in fiscal 2016 from \$2.5 billion in fiscal 2001. The growth was faster between fiscals 2001 and 2010 (30% CAGR), but global slowdown affected investments in fiscals 2010 and 2011. In the first half of fiscal 2018, FDI inflows were \$25.4 billion, up 17% on-year from the corresponding period a year ago.

### FDI inflows to India (\$ billion)



Source: DIPP, CRISIL Research

According to the quarterly fact sheet on FDI prepared by DIPP up to the first half of fiscal 2018, Mauritius was the leader in cumulative FDI inflows over April 2000 to September 2017 with a share of 34%, followed by Singapore (17%), Japan (7%), United Kingdom (7%), Netherlands (6%) and United States of America (6%).

The services sector accounted for 17% of the cumulative FDI inflows over the period, followed by telecommunications (8%), computer software and hardware (8%), construction development (7%), and automobiles (5%).

Mumbai accounted for 31% of the cumulative FDI inflows over the period, followed by New Delhi (20%), Bengaluru (8%), Chennai (7%) and Ahmedabad (5%), respectively.

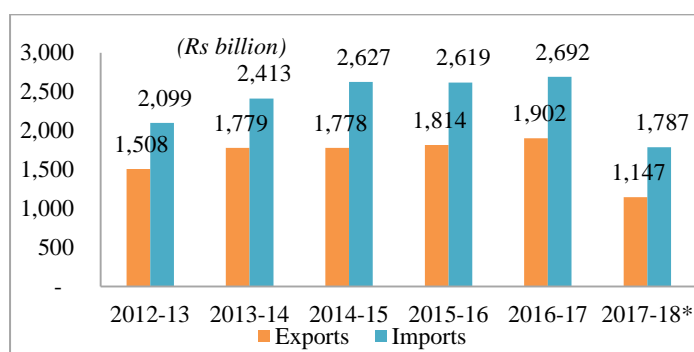
## Classification of chemicals industry in India

The chemicals industry is the backbone of industrial and agricultural development in the country. It provides raw material, intermediate, and process chemicals to several downstream industries, such as textiles, paper, paints and varnish, soaps, detergents, pharmaceuticals, agro chemicals, textiles, perfumes, toiletries, etc. The Indian chemicals industry comprises organic, inorganic, agro, specialty, chlor-alkalis, dye stuffs, and dye intermediates.

Alkali chemicals	Inorganic chemicals	Organic chemicals	Pesticides & Insecticides	Dyes & dye stuffs	Specialty chemicals
<ul style="list-style-type: none"> <li>• Soda ash</li> <li>• Caustic soda</li> <li>• Liquid chlorine</li> </ul>	<ul style="list-style-type: none"> <li>• Aluminium Fluoride</li> <li>• Calcium Carbide</li> <li>• Carbon black</li> <li>• Potassium Chlorate</li> <li>• Titanium Dioxide</li> <li>• Red Phosphorous</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Petrochemicals</li> <li>• Acetone</li> <li>• Phenol</li> <li>• Methanol</li> <li>• LAB</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Dichlorodi-phenyltrichloroe thane (DDT)</li> <li>• Malathion</li> <li>• Parathion</li> <li>• Ethicon</li> <li>• Endosulphan</li> <li>• Phosalone</li> <li>• Phorate</li> <li>• Acephate</li> <li>• Fenvalerate</li> </ul>	<ul style="list-style-type: none"> <li>• AzO dyes</li> <li>• Disperse dyes</li> <li>• Fast colour bases</li> <li>• Ingrain dyes</li> <li>• Napthols</li> <li>• Vat dyes</li> <li>• Reactive dyes</li> <li>• Pigment emulsion</li> <li>• Sulphur dyes</li> <li>• Other dyes</li> </ul>	<ul style="list-style-type: none"> <li>• Agrochemicals</li> <li>• Water treatment &amp; construction chemicals</li> <li>• Surfactants</li> <li>• Textile chemicals</li> <li>• Polymers additives</li> <li>• Personal care ingredients</li> <li>• Flavours &amp; fragrances</li> </ul>

### **(A) Chemicals industry has seen higher imports vis-à-vis exports during 2012-13 to 2017-18**

#### **Trend in exports and imports during 2012-13 to 2017-18**



Note: Data for 2017-18 is from April to October 2017.

Source: CRISIL Research

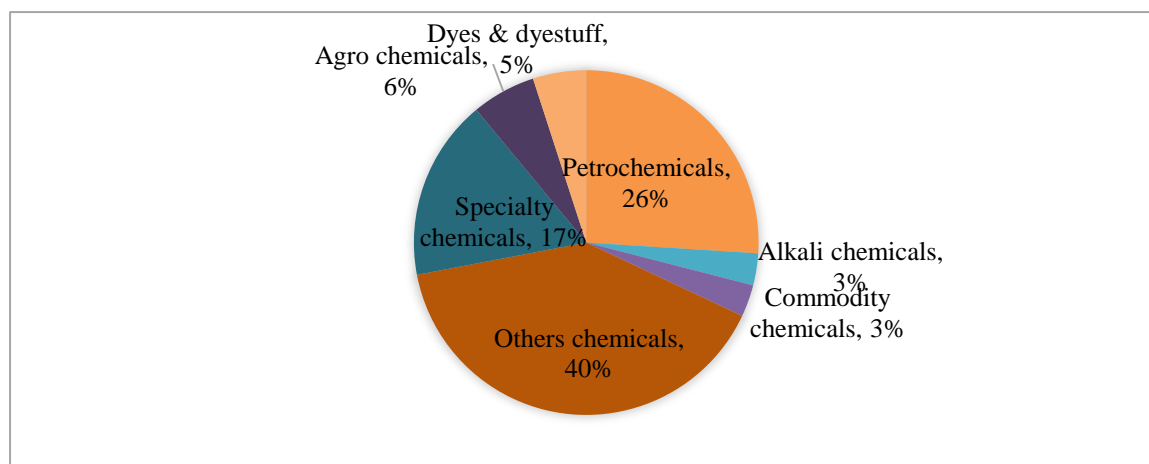
Over the 5-year period from 2012-13 to 2016-17, each year, the chemicals industry has witnessed higher imports vis-à-vis exports. During the corresponding period, imports (at 6.4% CAGR) have grown at a higher pace compared to exports (at 6% CAGR). However, exports form a significant share in the overall revenue of the chemical industry, accounting for ~20% of the market size in 2016-17. The first seven months of 2017-18 have witnessed exports and imports worth Rs 1,147 billion and Rs 1,787 billion – both, higher when compared to corresponding period during 2016-17.

### **(B) Market sizing of specialty chemicals industry**

#### **(a) Specialty chemicals industry to register stronger growth during fiscal 2018 to 2020**

CRISIL Research estimated the Indian chemicals industry (excluding pharmaceuticals and fertilisers) at Rs 5,800 - 6,200 billion in fiscal 2017, accounting for 3% of the global chemicals industry. In fact, the country is one of the largest producers in Asia, in volume terms. During the year, specialty chemicals (other than agrochemicals and dyestuff) accounted for ~17% share of the Indian chemicals industry at ~Rs 1,000 billion. [CRISIL Research considers the following categories of specialty chemicals: personal care ingredients, polymer additives, water chemicals, textile chemicals, construction chemicals, surfactants, and flavours and fragrances (F&F).]

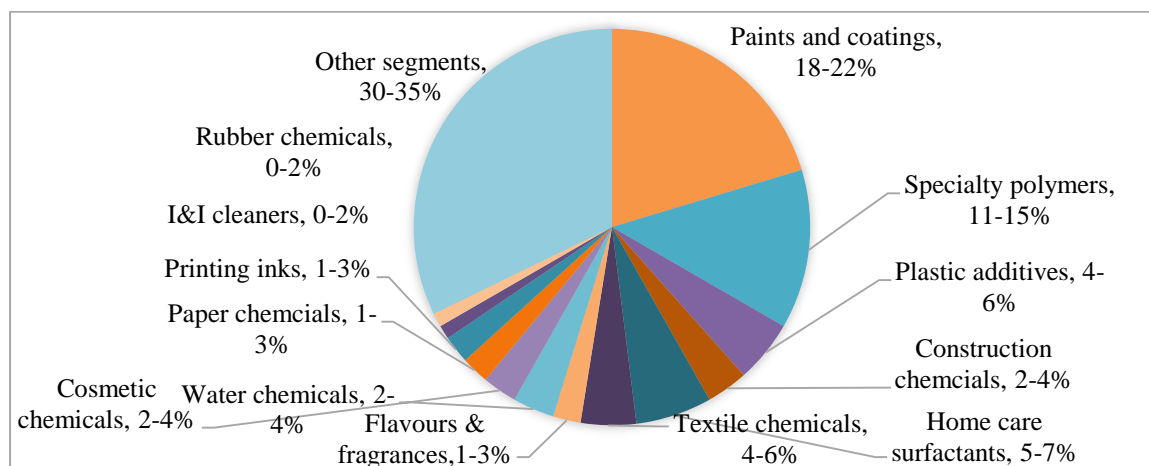
**(b) Segment-wise break-up of chemicals industry (fiscal 2017)**



Source: CRISIL Research

Note: The segments considered in calculating the industry size are specialty chemicals, alkali chemicals, organic chemicals, inorganic chemicals, pesticides and insecticides, dyes and dye stuff, and petrochemicals. In petrochemicals, the sub-segments included are polymers, olefins, and aromatics. Commodity chemicals include LAB, phenol, PAN, carbon black, and methanol. Others chemicals include inorganic chemicals and organic chemicals other than petrochemicals and commodity chemicals. Within the space, paintings and coatings comprised the largest share, followed by specialty polymers.

**(c) Major sub-segments within specialty chemicals market in value terms (fiscal 2017)**



Source: CRISIL Research

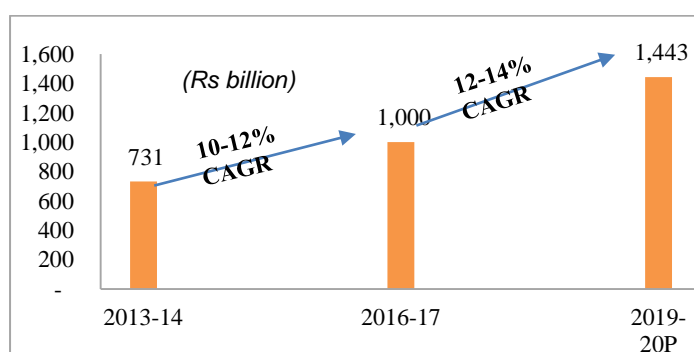
Growth of specialty chemicals is contingent on growth in major end-user industries. Paints and coatings will be driven by growth in the Indian automotive sector, which has increased sharply in the recent past. The domestic construction chemicals industry, which accounts for only 0.3-0.5% of total construction spend, has the potential of reaching 1%, which is the average in developed economies. Also, sharp rise in demand for water has put pressure on supply of water for irrigation, drinking and industrial usage. The need to augment and maintain adequate supply of water necessitates greater amount of recycling, resulting in a higher demand for water chemicals. Water treatment chemicals are used for a wide range of industrial and in-process applications such as reducing effluent toxicity, controlling biological oxygen demand and chemical oxygen demand and disinfecting water for potable purpose. Water chemicals are used across diverse industries, ranging from large power plants, refineries and fertiliser factories to pharmaceuticals, food and beverages, electronic and automobile companies. The textiles sector is expected to play a major role in the growth of the specialty segment as well, considering the range of processing aids, dyes and pigments used in this segment, and with increasing demand from domestic as well as export market. Growing affluence and resultant increase in consumption of personal care products will drive demand for a wide range of cosmetic chemicals, healthcare products as well as hygiene products.

**(d) Within specialty chemicals:**

- The textile chemicals segment is expected to grow at 12% CAGR, driven by domestic textile demand and export of high quality textiles
- The surfactants segment is projected to increase at 13% CAGR over the next five years, driven by high growth in end-use personal care industry
- The polymer additives segment is expected to grow at 10% CAGR over the next three years on healthy growth in usage of plastics in sectors such as construction and automobiles
- The construction chemicals segment is expected to grow at 15% CAGR over the next three years, driven by housing and infrastructure investments, coupled with increased penetration
- The water chemicals segment is expected to grow at 15% CAGR over the next five years, owing to increasing municipal water consumption following the rising urban population and smart city initiatives
- The personal care ingredients segment is expected to grow at 15% CAGR over the next three years, driven by increased penetration due to expected rise in per capita spending on personal care products
- With 85% of production exported, the F&F segment is forecast to grow at 12% CAGR, driven by exports owing to increasing acceptance of natural flavours and fragrance ingredients globally; India is a major supplier of natural ingredients

Consequently, the specialty chemicals segment, which grew at 10-12% CAGR from fiscal 2014 to 2017, driven by increase in domestic consumption and export of F&F, textile chemicals and personal care ingredients, is projected to accelerate over the next three years. During fiscal 2018 to 2020, CRISIL Research forecasts specialty chemicals to grow at 12-14% CAGR, with domestic demand as well as exports propelling growth.

**Trend and outlook for specialty chemicals industry**



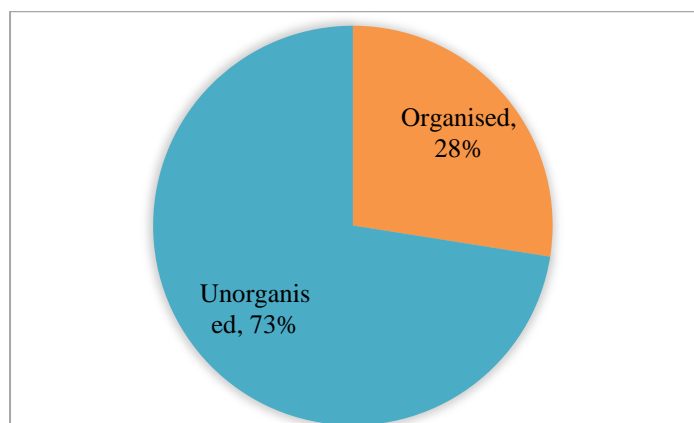
P: Projected

Source: CRISIL Research

**(C) Competitive profile of specialty chemicals industry**

**(a) Specialty chemicals industry marked by high fragmentation**

Globally, the specialty chemicals industry is concentrated. But, in India, the industry is highly fragmented, with SMEs comprising 70-75% market share. Break-up of organised and unorganised players in specialty chemicals market in volume terms (fiscal 2017)



Source: CRISIL Research

Unlike bulk chemicals, specialty chemicals are used in low quantities and are consumed for specific end-use applications. These are chemical products sold on the basis of specific requirement in end-use segments, rather than their composition. Being high-valued specialised products, these command higher margins than most bulk products. Extensive product research, development and innovation play a significant role in this industry, and ensure differentiation from the commodity chemicals industry. This has led to rising presence of global players in India, thereby impacting the competitiveness of Indian players. Only a few Indian players have the scale or capability to compete with global giants on product development and innovation. Global players are also investing significantly in marketing, distribution, and production systems to strengthen their presence in the Indian market. Another issue faced by this industry is that several mature products in the sector have already been commoditized, or are at risk of going that path. Hence, specialty chemical manufacturers are compelled to focus on niche applications and product innovation to protect margins. Cost of compliance could make operations increasingly unviable for small players.

#### **(D) Growth drivers for specialty chemicals industry**

##### **(a) Increased intensity of consumption**

Compared with developed economies, the current penetration of specialty chemicals in India's end market is low. However, over the next decade, with increased focus on improving products, usage intensity of specialty chemicals within these end markets will rise in India. For e.g., concrete admixtures improve the fluidity of concrete, provide a smoother, more even finish, and help avoid cracks. Consequently, concrete admixtures can help reduce maintenance and repair costs, and, therefore, total cost of ownership of construction projects. India's current expenditure on admixtures, though, is much lower compared with other developed and developing countries. This is primarily because of lack of awareness of admixtures in the Indian construction industry. With increasing demand for higher quality construction and growing awareness of the benefits of concrete admixture, the intensity of admixture consumption in India could double.

##### **(b) End-use demand:**

With increasing GDP, the Indian middle-class could grow to 148 million households by 2030, with consumption quadrupling. Furthermore, India's urban population is expected to increase by 275 million by 2030. This will result in high consumption-led growth in key end markets and an increased need for better products and services. Specialty chemical industry growth typically follows the growth of key end markets. For e.g., an increasingly urbanised India (cities are likely to comprise 40% of the population by 2030) will double the requirement for clean municipal water by 2020, and, therefore, significantly increase municipalities' usage of water treatment chemicals to treat / recycle waste water. Similarly, increased infrastructure spending by the government accompanied by growth in the real-estate industry could result in high growth in the construction chemicals and coatings segment. The performance of end-user industries such as automobiles, textiles, real estate and construction, consumer durables, packaged foods, paints, plastic, cosmetics, oil well drilling, etc will drive industry's demand.

##### **(c) Improved consumption standards**

Consumption standards are linked to policies implemented by the government to promote safe use of products. These standards are necessary for improving standard of living and enhancing consumer safety. Most developed countries have implemented stringent consumption standards across end-use markets. As the economy develops, India will need to regulate products more stringently, and strengthen consumption standards, which, in turn, will promote increased usage of specialty chemicals.

##### **(d) Government initiatives**

- The Government of India has released a Draft National Chemical Policy, aimed at increasing the share of chemicals sector in the country's GDP and increasing competitiveness in the sector. The draft document mentions increased focus on the specialty chemicals segment through implementation of a host of measures. One of the measures provides for permitting companies to set up capacities in petroleum, chemicals, and petroleum investment regions (PCPIRs) by demarcating special zones to aggregate feedstock demand. The draft document also includes a suggestion on setting up of specialty chemicals forum to frame relevant consumer standards. This forum envisages to have representation from industry, customers and government, and would recommend consumer standards, incentives to drive innovation, and product safety standards.
- The central government has imposed anti-dumping duty to protect the local industry; this duty varies as per the country and product.
- Industrial licensing has been done away with in most sectors, except for a small list of hazardous chemicals.

- Approval has been granted for foreign direct investment (FDI) of up to 100% in the sector.
- The government is also continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby assisting greater investments in technology upgradation and modernization.
- Policies have been initiated to set up integrated PCPIR. The PCPIRs are expected to boost chemical manufacturing to the extent that it is sufficient enough to meet domestic demand as well as for exports.

**(e) Favourable global factors:**

China, which is a major player in commodity chemicals, has seen lower focus on specialty chemicals because of low volume and high-value nature of the segment. Additionally, stricter environmental regulations introduced in 2015 have impacted the output of its chemical manufacturing industry. Going forward, these factors are expected to play out in favour of India's specialty chemicals industry as exports will see an uptrend over the next few years.

**(E) Key risks for specialty chemicals industry**

**(a) Lack of scale**

Only a few Indian players have the scale and capability to compete with global players on innovation and product development.

**(b) Commoditisation**

Many products in the sector are commoditised. This compels players to focus on niche applications and product innovation to sustain margins.

**(c) Regulations**

Developed markets are tightening import regulations, such as European Union's Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH), owing to environmental concerns and protectionism. Small players are expected to be more affected, owing to high cost of compliance, which will make their operations increasingly unviable.

**(d) Raw material cost and availability**

Several of the raw materials consumed in manufacturing various specialty chemicals are petrochemicals derived from crude oil. Hence, their prices are vulnerable to volatility in global crude oil prices. In addition, raw materials in some specialty chemical segments are imported. This further exposes player to risk of foreign exchange fluctuation. Also, in the case of some chemicals, raw materials are supplied only by a few players, thereby decreasing the bargaining power with buyers. A case in point is phenol, consumed in personal care ingredients. Some specialty chemicals, which use agricultural or bio-based natural raw materials, have associated seasonality risks. For e.g., in flavours and fragrances segment, products based on natural ingredients are exposed to seasonal variation of raw material yields, and, hence, procurement.

**(e) Use of outdated technology**

Several units are using outdated technology, which impairs quality of the products and lowers realisations, thereby affecting growth prospects.

**(f) Research and development**

As most products offered by specialty chemical companies are meant for meeting specific requirements of the customers, focus on R&D is essential for the success in this industry, even for small-scale firms.

**Key properties of the chemicals**

**(A) Polyethylene wax**

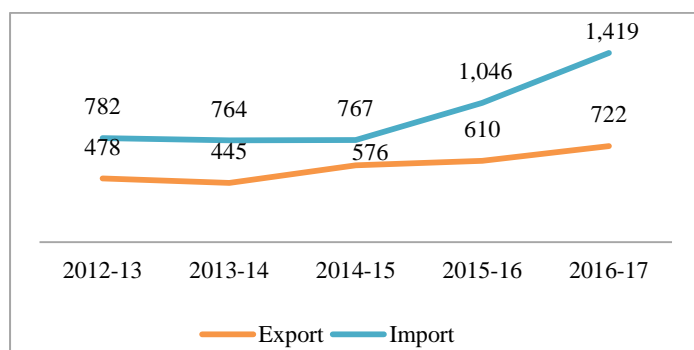
There are various methods for producing polyethylene wax. Polyethylene wax can be made by directly polymerising ethylene under specific conditions to control molecular weight. Another method involves breaking down high molecular weight polyethylene into lower molecular weight fractions. A third method involves separation of the low molecular weight fraction from high molecular weight polymer.



### (b) Properties

- **Low strength:** Polyethylene showcases low strength, hardness and rigidity; however, it has high ductility and impact strength. It also has low friction.
- **Low melting point:** Its melting point is 80-120 degree Celsius and it is useful for commercial purposes only below this point.
- **High chemical resistance:** Most of the grades of polyethylene have high resistance to chemical reactions, and are not affected much by strong acids or bases.
- **Good electrical insulator:** It offers good tracking resistance, but develops electrostatic charges easily, which can be reduced using other materials such as graphite and carbon black.

### (c) Export-import trend for polyethylene wax



Source: Ministry of Commerce

India is a net importer of polyethylene wax, with imports being almost double as compared to the exports. The past trend in import and export shows an increasing trend, with a pent-up demand from FY16 onwards. Imports from USA, China, Germany, Italy, Malaysia and Japan constitute about 72% of the total imports. The biggest export markets for India were USA, Germany, Saudi Arabia, China and Turkey, which formed about 62% of the total exports from India.

### (B) Attapulgite

It is a naturally occurring, crystalline hydrated magnesium alumino-silicate with unique colloidal and sorptive properties. Fully hydrated attapulgite grades thicken liquids without swelling. The attapulgite thickeners effectively form thixotropic colloidal gels in ionic and non-ionic aqueous solutions. They also develop thixotropic gels in most organic liquids with thickening and / or suspension properties when dispersed with various cationic or non-ionic surfactants.

### (c) Properties

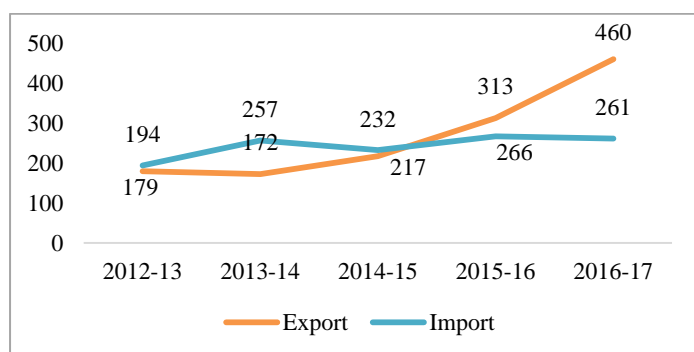
- **Provide sag resistance and spreadability:** Thixotropy allows materials such as paint, adhesive, caulk, sealant or ink to spread easily when they are rolled, sprayed or brushed, and then stiffen at a controlled rate. This aids in prevention of sags and drips, giving them desirable levelling properties.
- **Viscosity control:** All attapulgite products provide thixotropic viscosity in liquid systems and are not impacted by extreme changes in pH or temperatures. Thixotropy with attapulgite thickeners is developed by charge attraction on the particle surface, hydrogen bonding and the entrapment of liquid within a chain-like network. These phenomena allow attapulgite thickeners to form a gel when at rest, and yet become thin when agitation or shear is applied. When shear is slowed or stopped, viscosity increases gradually as a new structure forms.

### (d) Applications

- **Paints and coatings:** Attapulgite is used in latex and other general waterborne formulations. Other grades, which contain less residue, are used in more demanding aqueous and solvent-borne coatings, such as primers, topcoats, maintenance coatings, marine finishes, semi-gloss and gloss enamels. Product works as co-thickeners with cellulosic, associative and alkali swellable thickeners.

- **Plastics:** Attapulgite controls viscosity and gives sag resistance to vinyl plastisol and epoxy systems. Thixotropic properties allow easy flow for application and prevent sag upon deposition. Attapulgite prevents settling and "float-out" in lightweight filler compounds.
- **Suspension / thickening applications:** Attapulgite products are effective suspending agents for particulate matter in ionic, non-ionic and organic liquids. They are ideal for suspending pigment slurries, refractory coatings, ceramic slurries, liquid soaps and other applications where limited mixing capabilities exist. Additionally, Attapulgite is a highly effective gellant and thixotrope in aqueous and organic systems. Industrial cleaners, paint remover, mineral oils and many other liquids can be thickened with attapulgite products.
- **Adhesives and sealants:** Attapulgite thickeners provide superior thickening, sag resistance and ease of application, especially in highly filled systems.
- **Tape joint compounds:** Attapulgite provides for smooth, scratch-free application in these thick films, as well as for sag resistance, viscosity control, spreadability and excellent feathering at low cost.
- **Construction:** Attapulgite can be used as a cellulosic thickener replacement in mortars in grouts. Their thixotropic properties also provide excellent pumpability and anti-sag properties in shotcrete applications.
- **Agriculture:** Attapulgite is used to stabilise and suspend ingredients in wet flowable pesticide formulations. Attapulgite may also be used in liquid animal feeds and suspension fertilisers.

#### (e) Export-import trend for Attapulgite



Source: Ministry of Commerce

The trade data for attapulgite indicates a pick-up in exports in the past couple of years, with imports remaining range bound in value terms from 2013-14 onwards. India became a net exporter of attapulgite in 2015-16. The biggest export markets for India are UAE, Saudi Arabia, Nigeria, Uganda and Pakistan, constituting about 96% of total exports in 2016. Majority of the imports are from USA, Germany, Thailand, United Kingdom and China.

#### (C) Bentonite

Bentonite is a material derived from the alteration, over geological time period, of glassy material emitted from volcanoes, or from the alteration of silicon bearing rocks such as granite and basalt. Bentonites are of two types: sodium bentonite and calcium bentonite.

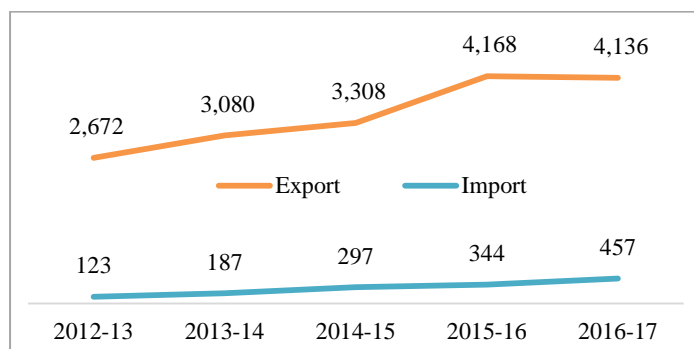
##### (c) Properties

- **Water absorption and swelling:** Depending on the type of bentonite, it has different absorption level. In the case of sodium bentonite, water is able to penetrate through the platelets, forcing them apart, thus causing them to swell. In the case of calcium bentonite, the strong cation of ( $\text{Ca}^{2+}$ ) does not permit water to enter the platelets, and thus the platelets flake off instead of swelling.
- **Viscosity of aqueous suspensions:** When bentonite is dispersed in water, it forms a colloidal suspension with high viscosity. At high concentrations, these colloidal suspensions exhibit properties of a gel. This happens because of water penetrating into the platelet interlayers.

#### (d) Applications

- **Drilling:** It is used as a mud constituent for oil well drilling. Its role is mainly to seal the borehole walls, to remove the drill cuttings and to lubricate the cutting head.
- **Cosmetics:** Personal care products such mud packs, sunburn paints, baby and face powders, and face creams may contain bentonite.
- **Paints, dyes and polishes:** Due to its thixotropic properties, bentonite and organoclays function as a thickening and / or suspension agent in varnishes, and in water and solvent paints. Their adsorption property is utilised for the finishing of indigo dyeing cloth and in dyes (lacquers for paints & wallpapers).

#### (e) Export-import trend for Bentonite



Source: Ministry of Commerce

Past trend in the total import and export of bentonite indicates increased usage, both, domestically and globally. The exports from India are about 10-12 times as compared to the imports, in value terms. The demand for Indian exports, globally, picked up pace from FY16 onwards. The largest trade partners for the export market were Indonesia, Ukraine, Malaysia and Oman, constituting about 51% of the total exports from India. Imports are fairly concentrated from Turkey and USA, both constituting about 78% of the total imports.

#### (D) Organoclay

Organoclay is an organically modified phyllosilicate (Bentonite), derived from a naturally occurring clay mineral. By exchanging the original interlayer, cations for organo cations (typically quaternary alkyl ammonium ions) an organophilic surface is generated, consisting of covalently linked organic moieties. The lamellar structure remains analogous to the parent phyllosilicate. The main component of organoclay is bentonite, a chemically altered volcanic ash that primarily consists of the clay mineral montmorillonite.

#### (c) Properties

- **Gelling due to dissolution:** When organoclay is added to an organic solvent and subjected to shear, the quaternary ammonium ions become dissolved. The force of dissolution keeps the clay platelets in suspension, dispersing the organoclay and causing gelling.
- **Color and form:** Organoclay is light cream in colour and is available in a fine powder form.

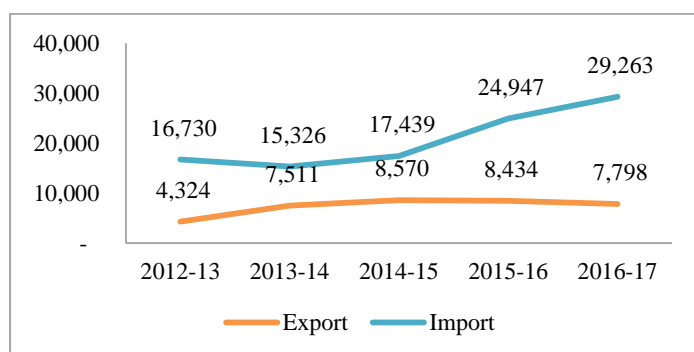
#### (d) Applications

- **Paints and coatings:** Organoclay prevents pigment settling and sagging on vertical surface. It helps ensure that proper thickness of the coating is applied. It also ensures good levelling and removal of brush marks. It provides water resistance and structure reinforcement with no adverse effect on adhesion and solvent release. Organoclay is used in architectural paints viz. undercoats, primers, semi-gloss, gloss and wood stains as well as in industrial coatings for stoving enamels, epoxies, esters, urethanes, vinyls, acrylics, anti-corrosive, automotive, bituminous, coil, road marking, car underbody coatings, nitrocellulose and chlorinated rubber.
- **Printing inks:** Organoclay helps in adjusting the consistency of printing inks to the desired values, avoiding pigment sedimentation, providing good colour distribution, obtaining desired film thickness,

reducing misting, control of track, water pick up and dot gain control. They are largely used in letterpress, lithographic and offset ink.

- **Lubricating greases:** Organoclay provides working stability and water resistance to certain greases. Such greases are typically used for lubrication in foundries, mills and on high-speed conveyors. Greases can also be manufactured for other industries such as agriculture, aviation, automotive and mining.
- **Cosmetics:** Organoclay is widely used in cosmetics like nail lacquers, lipsticks and eye shadows on account of its ability to retain colour. Tests by cosmetic manufacturers have proven that it is a non-irritant for both skin and eyes.
- **Food contact applications:** Organoclay is used as a thixotropic agent in coatings that come into contact with food. They are also used as fillers in plastic food containers.
- **Drilling fluids:** Organoclays are used to suspend heavy sealing agents as well as carry cuttings back to the surface. They also play an important role in lubricating the drill. Organoclay also finds application in frac fluids, where their gelling ability is used to seal rock fractures in the bore-hole.
- **Nanofiller for plastic:** Because of their particle size and chemical structure, highly purified organoclays have the unique ability to be able to function in a wide range of monomers and polymers. This leads to an improvement in modular strength without sacrificing impact resistance, gas barrier properties, fire retardation and heat resistance. The combination of these improved properties, convenient processing and relative low costs make nano composites a tremendous commercial opportunity as they are superior alternatives to the current fillers used in polymer systems.

#### (e) Export-import trend for Organoclay



Source: Ministry of Commerce

India is a net importer of organoclay, with imports outnumbering exports by 2-4 times. There has been a substantial increase in imports in the past 3-4 years, with no real pickup in exports. In terms of value, imports from China, USA, Singapore and Germany constitute a large portion of the total imports. China is also the largest export market for India. Other larger export markets include USA, Saudi Arabia and Turkey.

#### (E) Diatomaceous earth (DE)

Diatomaceous (siliceous) earth is made from the fossilised remains of tiny, aquatic organisms called diatoms. Their skeletons are made of a natural substance called silica. Silicon, a component of silica, usually reacts with oxygen and water to form silicon dioxide, which occurs in two forms: crystalline and amorphous. Most diatomaceous (siliceous) earth is made of amorphous silicon dioxide. However, it can contain very low levels of crystalline silicon dioxide.

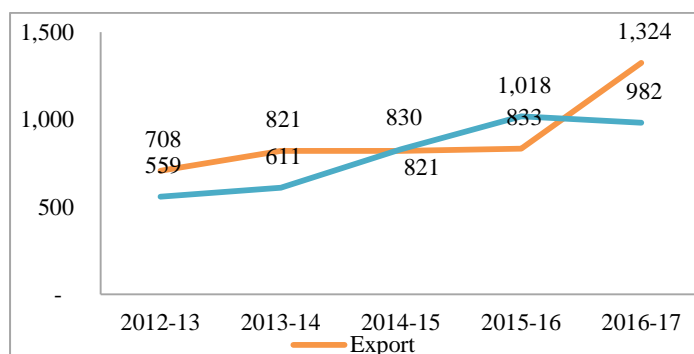
#### (c) Properties

**High porosity, low density, and high surface area:** Siliceous earth is an inorganic material, which has chemical composition of >80 of amorphous of Silica. This amorphous phase is very rare and used widely in industrial scale because of its high porosity, fine particle size, very low density and high surface area. Rajasthan is the only state in India that produces this mineral. Due to its chemical inertness, high porosity, high surface area, and morphology, DE is uniquely suited for a wide range of functional mineral additive applications.

#### (d) Applications

- **Ceramic industry:** DE is widely used as a filler and filter, heat and sound resistant material and in ceramic industry.
- **Food and medicine:** DE is used in filtration and cleaning of vegetable oils and animal fat, and manufacture of medicines.
- **Agri-products:** It is used as a carrier for catalysts in chemical processes and for mineral fertilisers and herbicides, pesticides and fungicides in agriculture.
- **Filter industries:** DE is used to treat drinking water, water in fish tanks, swimming pools and other liquids, such as beer and wine, sugar-syrups, and honey.

#### (e) Export-import trend for Diatomaceous Earth



Source: Ministry of Commerce

There has been a steady increase in both import and exports for DE in India. The largest export markets for India are Indonesia, Brazil, Belgium and South Korea. Most of India's imports are from a single country, Mozambique.

#### (F) Mica

Mica is a crystallised mineral, gathered from numerous materials. It takes many years to form in a high temperature and pressure environment. Since the conditions of its formation defer from place to place, mica's characteristics also vary accordingly.

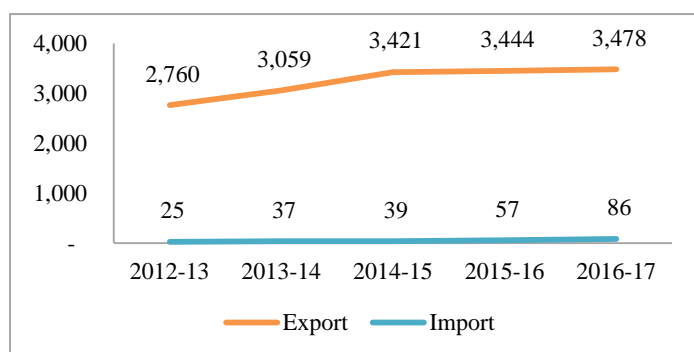
##### (c) Properties

**Available in fine powder form:** Cosmetic-grade mica in fine powdered form is used in various reflective colour applications.

##### (d) Applications

- **Cosmetics:** Mica is used in manufacturing cosmetic products because of its ability to provide a fine texture, gloss, skin adhesion, elasticity and because its layers can easily be peeled off. Mica, known as a natural and chemical colouring ingredient, is used in a variety of bold, pigmented, and long-lasting shades that make it excellent for individual application.
- **Other art and craft-related industries:** Mica powders are also used in pen turning, painting, soap-making, making scrap books, embossing, sculpture, etc.

### (e) Export-import trend for Mica



Source: Ministry of Commerce

India is largely an exporter of mica. China is the largest export market for India, followed by Japan, Germany and USA. This is on account of large deposits in the states such as Andhra Pradesh, Rajasthan and Bihar. There was a gradual uptick in mica exports in 2012-14 period. However, for past 3-4 years, the total exports have remained stagnant.

### Overview of key end-user industries for specialty chemicals

#### (A) Plastics industry

##### (a) Overview

Plastics are organic polymers formed through polymerisation. Plastic products are made from polymers such as polyethylene (PE), polypropylene (PP), polystyrene (PS), and polyvinyl chloride (PVC). To meet the material needs of different sectors of the economy, a wide variety of plastic raw materials are produced. They are broadly categorised as bulk (commodity), engineering, and specialty plastics. Bulk of the plastics fall under the commodity plastics segment and include PE, PP, PVC, and PS. Engineering and specialty plastics are produced for specific purposes as they exhibit superior mechanical and thermal properties in a wide range of conditions. These include derivatives of plastics. The plastics industry chain can be classified into: (a) manufacturing of polymers, called 'upstream'; and (b) conversion of polymers into plastic articles, known as 'downstream'. The downstream plastic-processing industry's role in the country's economic growth is pivotal, as it caters to a broad spectrum of segments manufacturing daily-use items such as packaging, housing, construction, furniture, automobiles, household items, agriculture, electronics, medical, and electrical items.

##### (b) Plastics industry in India characterised by demand-supply mismatch

While there is an overcapacity in the Indian market for PS, domestic production is much lower than demand for PE and PVC. This demand-supply gap is met through imports. Currently, close to 50% of the demand for PVC is met by imports. This huge demand-supply gap has made India very attractive for producers worldwide. Due to the low import duty for PVC in India and the availability of a fast-growing market, international suppliers are easily able to offload their surplus in India. In fiscal 2017, India imported material from Korea, Taiwan, Japan, China, and the European Union, along with the United States, Brazil and Colombia. Though imports have been increasing over the years, thereby meeting the demand-supply gap for PVC, whether this can be sustained over the medium-to-long term when domestic demand grows, remains to be seen. Moreover, we foresee very little capacity expansion in countries that are currently exporting to India, implying that there is an upper threshold for supply.

##### (c) Overall plastics industry in India estimated at Rs 1,900-2,000 billion in fiscal 2017

The size of the polymer manufacturing (upstream) segment was estimated at Rs 1,000-1,050 billion, while that of the plastic processing (downstream) segment was estimated at Rs 900-950 billion in fiscal 2017. The downstream segment has logged a compound annual growth rate (CAGR) of 9-11% between fiscals 2014 and 2017. Economic growth and rising penetration of plastic products in end-user segments are key growth drivers for the plastic products industry in India. In fiscal 2016, polymer demand was robust, clocking an increase of ~10% on-year. However, domestic polymer demand was estimated to have grown at a moderate 7-8% on-year in fiscal 2017, as demonetisation led to degrowth in the fourth quarter.

**(d) Demand for polymer to post CAGR of 9-10% in next three years**

CRISIL Research expects polymer demand to grow at 9-10% CAGR between fiscals 2017 and 2020 on account of expected recovery in major consumer segments such as packaging, automobiles, irrigation, construction, and consumer durables. Demand could also come from the continued substitution of metal pipes with plastic pipes, and glass and metal containers with plastic containers, as well as from increasing use of plastics for packaging due to its superior quality and cost-effectiveness.

**(e) Demand for plastic processing to show robust growth in next three years**

Demand for plastic products is expected to grow at a robust 11-13% between fiscals 2017 and 2020, on improvement in economic growth and revival in end-user segments, along with rising penetration and greater affordability of plastic compared with its substitutes. The packaging segment (accounting for over two-third of demand for plastic products) is expected to grow 9-11% CAGR. Strong growth in demand for non-alcoholic beverages and food products (such as ready-to-eat foods and confectioneries) will also act as a driver. Demand from other plastic products, such as electrical and electronics and home appliances, is also expected to register 9-10% and 8-9% CAGR, respectively.

**(f) Growth drivers for plastics industry in India**

- **India's plastic consumption is the lowest globally**

Demand for plastic and plastic products largely depends upon the overall economic activity in a country. In India, the demand growth of plastic and plastic products is higher than the GDP growth rate because of low penetration levels and lower per capita consumption compared with the global average. At 11 kg, India's per capita consumption of plastics is the lowest within the peer group, and even compared with the global average of ~28 kg in fiscal 2017. This is due to lower penetration of plastic in various end-user segments. However, plastic products have become popular of late and have also begun to replace traditional materials such as metal and wood. Hence, we expect per capita consumption to slowly inch up towards the global average.

- **Government initiatives**

- **Housing for All by 2022:** In India, growing urbanisation has led to issues such as land shortage, housing shortfall, congested transit, and stressed basic amenities such as water, power and open spaces in towns and cities. Acknowledging the severity of housing issue in the country, the government has launched 'Housing for All by 2022' campaign to bridge the demand-supply gap. Housing shortage, coupled with the lack of proper water management system (sewage / drainage) in slums, creates ample opportunity for the piping industry in India. A major application of PVC pipes is in water management for the housing and agriculture sectors, and this can be a strong growth driver.
- **Swachh Bharat Mission** - The government's 'Swachh Bharat Mission' is another flagship programme aimed at stopping open defecation through the construction of individual household latrines, cluster toilets and community toilets (especially via public-private participation). Solid and liquid waste management is also an important component of the programme. According to Census 2011, over 67%, or more than 11 crores, rural households in India lack access to toilets. Lack of sanitation and drinking water facilities creates a huge opportunity for PVC pipe manufacturers.
- **Atal Mission for Rejuvenation and Urban Transformation** -The government has launched the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with the aim of providing provide basic services to households and building amenities in cities. The objective is to ensure every household has access to a tap with assured supply of water and sewerage connections, the amenity value of cities is increased by developing greenery and well-maintained open spaces (e.g., parks), and pollution reduced by switching to public transport or constructing facilities for non-motorised transport (e.g., walking and cycling). Infrastructure improvement could result in the future growth of the plastic piping industry.
- **Government support in the form of tax sops, anti-dumping duty on polymers and dilution of the Jute Packaging Materials Act of 1987** to allow the use of plastic bags in place of jute bags, has positive implications for the plastic industry.

- **Macroeconomic growth**

Plastic products are largely used in industrial, agricultural and consumer applications. Hence, growth in demand for plastic products directly depends on the overall economic growth.

- **End-user industry growth**

In addition to economic growth, demand for plastics will also be driven by high penetration of plastic used in end-user segments such as automobiles, agriculture, infrastructure and packaging.

**(g) Key risks for plastics industry in India**

- **Limited pricing power**

Small-scale units dominate the industry in the unorganised sector. The pricing power of players is restricted by the commoditised nature of products and smaller economies of scale. Such conditions further curtail productivity and increase the cost burden.

- **Currency fluctuations**

SMEs importing polymers are exposed to movements in the rupee-dollar exchange rate. Most of the deals are struck on the spot basis and left unhedged. As a result, smaller players are the worst hit, as larger players can adopt better hedging techniques.

- **Working capital intensity**

Players maintain about two months of raw material inventories. It hence becomes essential for SMEs to manage working capital efficiency to ensure steady cash flows.

- **High import duty**

There is substantial threat of cheap imports from China, which continues to dump plastic products in the Indian markets. With the hike in import duty on polymers to 7.5%, from 5.0%, in May 2013, the cost of raw materials went up, further worsening the competitiveness of domestic plastics manufacturers.

**(h) Usage of specialty chemicals in the industry**

PE is the largest produced polymer in the world. It is extensively used in packaging in producing plastic bags. It has several applications such as containers, kitchenware, tubing, bottles, cable insulation, and chemical tank lining.

**(B) Oil well drilling industry**

**(a) Overview**

Scarcity of crude oil in India is a major factor behind the increase in demand for exploration activities. The demand for exploration activities has increased with the availability of acreage through the New Exploration Licensing Policy (NELP) bidding. Till date, the government has bid out 282 exploratory blocks through 9 rounds of NELP. However, India does not have a very hydrocarbon rich sedimentary basin. The high probability of having to deploy investments without finding oil makes this venture riskier. Moreover, with the limited availability of incremental onshore and shallow water acreages, companies have to increasingly opt for deep-sea exploration, which requires huge investments and are highly technical intensive.

Specialty oilfield chemicals are used in order to enhance the efficiency of oil recovery. These specialty chemicals, which have their effect only when they are present in the oilfield process but lose their properties after removal, have to be added periodically or continuously as per the requirement across the oil production. Specialty oilfield chemicals aid in achieving greater oilfield efficiency and productivity. It has the capability to maximize recovery of oil and gas reserves in a cost-effective manner and also aids in minimising impact on the environment. These chemicals are also a critical product facilitating well-drilling, completion and intervention services.



## **(b) Review of oil well drilling industry in India**

Domestic crude oil production rose from 6.8 million metric tonnes (MMT) in fiscal 1971 to 33.0 MMT in fiscal 1991. Not many new major oil / gas fields have been discovered, because of which, domestic crude oil production has stagnated at 31-38 MT till date.

A total of 225 discoveries have been made till date, of which 32 pertain to the pre-NELP period and 2 from the small- and medium-sized fields offered in fiscal 1993. About 72 discoveries pertain to the NELP blocks and remaining 119 discoveries are from nomination fields. Of the 72 NELP discoveries, 23 are crude oil discoveries, and 14 are oil / gas discoveries, while the remaining discoveries are of natural gas.

The success of NELP is evident from the increase in the in-place reserves from 5,800 MMT till fiscal 2006 to 6,489 MMT in fiscal 2011. As of 2016, there has been a total of 9 rounds of NELP for allocation of 282 oil blocks.

Investments to the tune of Rs 250-300 billion are expected in the eastern offshore and KG Basin region till fiscal 2019. Kutch and western offshore regions are expected to see investments amounting to ~Rs 250 billion. Investments in strategic reserves increased to Rs 25 billion in fiscal 2018 from Rs 20 billion in fiscal 2017.

## **(c) Growth drivers for oil well drilling industry in India**

### **• Government initiatives**

- The government launched the HELP in March 2016. According to the policy, there will be uniform licensing for exploration of all hydrocarbons in a single block. This will enable faster clearances and reduce cost for players.
- Open Acreage Licence Policy will enable contractors to request bidding for any block on-tap. They will also benefit from the easing of regulations with respect to pricing and marketing of natural gas.
- The decision will enhance domestic oil and gas production, bring substantial investment in the sector and generate sizable employment. The policy is also aimed at enhancing transparency and reducing administrative discretion.
- The uniform licence will enable the contractor to explore conventional as well as unconventional oil and gas resources including CBM, shale gas / oil, tight gas and gas hydrates under a single licence. The policy will enable E&P companies choose blocks from the designated area.
- Present fiscal system of production sharing based on investment multiple and cost recovery /production linked payment will be replaced by an easy to administer revenue sharing model. The earlier contracts were based on the concept of profit sharing, where profits were shared between the government and the contractor after recovery of cost. As a result, it was necessary for the government to scrutinise cost details of private participants, which led to delays and disputes. Under the new regime, the government will not be concerned with the cost incurred and will receive a share of the gross revenue from the sale of oil, gas, etc. This is in tune with the government's policy of 'Ease of Doing Business'.
- Recognising the higher risks and costs involved in E&P from offshore areas, lower royalty rates for such areas have been provided compared with the NELP royalty rates to encourage E&P. A graded system of royalty rates has been introduced, in which royalty rates decrease from shallow water to deep-water and ultra-deep water. At the same time, royalty rate for on land areas has been kept intact so that revenue to state governments is not affected. On the lines of NELP, cess and import duty will not be applicable on blocks awarded under the new policy. This policy also provides for marketing freedom for crude oil and natural gas produced from these blocks. This is in tune with the Government's policy of 'Minimum Government – Maximum Governance'.

### **• Macroeconomic growth**

India, being a developing economy, has seen a high demand for oil and gas, which are major energy sources across a variety of sectors. Thus, oil exploration demand is directly dependent on the overall economic growth.

#### **(d) Key risks for oil well drilling industry**

- **Reduced supply of acreage for exploration**

There have been slower clearances and undue delays on the part of the government in rolling out blocks and approving capex plans and field development plans. In the first eight rounds of NELP, the government offered income tax holiday for seven years from the beginning of commercial production of crude oil. However, in the NELP IX round, the government withdrew the income tax incentive for blocks awarded after March 31, 2011. Also, the government has not bid out any blocks post the NELP IX round. This has reduced supply of acreage for exploration companies.

- **Fall in rig rates due to lower oil prices**

The inputs considered for crude oil exploration are the availability of natural resources, namely, reserves and capital equipment required for drilling. Global rig markets have historically seen an increase in investments, leading to an increase in supply in rig markets. Over the past few years, jack-ups (which are used for shallow water drilling) have seen an increase in day rates as demand growth has exceeded the supply growth. In 2016, with oil prices falling considerably, rig rates came down by 20%. Supply of jack-ups increased, while demand declined. Utilisation rates plummeted. With oil prices remaining low in 2017, rig rates were estimated to have further fallen by 10-15% on-year amid excess supply.

#### **(e) Usage of specialty chemicals in the industry**

Bentonite is used in oil-well drilling as a mud constituent. Its role is mainly to seal the borehole walls, remove the drill cuttings and lubricate the cutting head.

### **(C) Paints industry**

#### **(a) Overview**

The domestic paints industry with an estimated market size of Rs 401 billion in fiscal 2017 is broadly segmented into decorative paints and industrial paints. Decorative paints find utility in the housing and construction sector and account for over 70% of the total paint market. Within this segment, repainting accounts for 60-65%, while new constructions account for the remainder. The decorative paints segment is sub-divided into enamels, distempers, emulsions, putty and exterior paints.

Industrial paints, on the other hand, find use in industries such as automobiles, auto ancillaries, consumer durables, marine vessels and industrial plant and machinery. They are categorised based on end-use applications such as automotive, powder, performance, coil, packaging and marine coatings. Of this, the automotive segment constitutes the largest share of the market. Owing to the technology-intensive nature of end-user segments in this category, manufacturers have entered into technical collaborations and joint ventures with leading international paint producers.

The organised paints industry accounts for 65-70% of the domestic paints industry (value wise), making this industry fairly organised. The remainder of the industry comprises 2,000 small players, who mainly compete in the regional markets.

#### **(b) Review of paints industry**

Demand for paints is direct as well as derived. While the decorative segment draws its demand directly from housing construction and repainting, the demand for industrial paints is derived from user industries such as automobiles, auto ancillaries, consumer durables, marine vessels and containers, and depends on the level of industrialisation in the country.

The demand for paints is influenced mainly by the growth rate of the economy, which translates into increased purchasing power and, consequently, increased per capita consumption of paints. The demand for decorative paints is also influenced by interest rates on consumer housing loans and the affordability factor of houses. The growth rate of the economy also influences repainting demand, which accounts for about 60% of the demand for decorative paints. The remaining 40% demand for decorative paints is directly influenced by the increase in fresh civil construction (housing and commercial), although there is a time lag of 12-18 months between the construction of the house and its painting. An increase in the economic activity, with higher industrial production and industrialisation, determines the growth in offtake for industrial paints.

**(c) Growth Drivers: Decorative paints**

- **Favourable economic indicators**

Repainting constitutes ~70% of decorative paint demand. Rising disposable income and growing preference for aesthetics in paints have helped shorten repainting cycles from 8-9 years (10 years ago) to 4-5 years now. GDP growth is expected to continue, albeit at a marginally slower pace in fiscal 2018, and inflation is expected to remain muted, supporting income growth. The Seventh Pay Commission is expected to lend a helping hand. Moreover, government initiatives like e-NAM, crop insurance, and irrigation schemes will ensure better rural income.

Increased purchasing power is the single most important factor determining the demand growth for paints. An increase in the purchasing power of Indian consumers is expected to lead to a shift from lime to paints, leading to better penetration levels. This will also result in a shift from lower value paints to higher value paints. Repainting, which accounts for about 60% of decorative paint demand, will also be boosted by increasing purchasing power. Increased purchasing power also results in higher demand for automobiles and consumer durables, resulting in higher demand for industrial paints from these segments.

- **Housing stock growth**

As per Census 2011, number of households increased from 192 million in 2001 to 247 million in 2011. Housing stock inflated from 187 million units to 245 million. Urban stock represents close to one-third of overall housing stock. While growth in housing stock during the decade (2001-2011) was in line with growth in number of households, a significant shift in housing condition was observed. In urban region, share of pucca houses increased from 75% in 2001 to 92% in 2011, and in rural regions, from 33% to 55%.

Fresh housing accounts for around 40% of demand for decorative paints. Increasing affordability of houses, driven by faster growth in incomes of middle and higher-income categories and decline in equated monthly instalments (EMI) due to a fall in interest rates and longer tenure of loans have positively impacted demand for decorative paints. Housing interest rates are currently at an all-time low of 7.5-8.5%. After factoring in tax savings, effective interest on a housing loan works out to only 3.85%. With housing interest rates remaining stable at 7.75-8.00% in the past year (despite increase in general interest rates), disbursement of housing loans is expected to increase in the short term. This will improve offtake of paints from this segment.

- **Nuclearization**

Nuclearization refers to formation of multiple single families out of one large joint family; each of these families live in separate houses, while the ancestral house may be retained or partitioned to buy new houses. Nuclearization in urban areas is primarily driven by changing lifestyle, rising individualism, changing social / cultural attitudes and increased mobility of labour in search of better employment opportunities. These trends are expected to continue in future.

- **Perception of paints**

In the decorative paints segment, paints and coatings are increasingly being used for their protective attributes, rather than for decorative purposes. Greater awareness of the need for a protective coating on concrete surfaces is expected to result in increase in demand for decorative paints.

**(d) Growth Drivers: Industrial paints**

- **Auto industry growth**

Auto industry growth dictates growth in industrial paints category. Higher growth in two-wheeler and commercial vehicle (CV) segments is expected to accelerate growth in auto industry. Muted rise in cost of ownership, benign inflation, higher income and governmental rural support is expected to boost growth in auto industry. Pace of two-wheelers, the bellwether of the auto industry, is expected to quicken to 9% CAGR (vis-a-vis 5% in last five years), supported by continued growth of the scooters segment, and revival in exports.

- **White goods demand**

Second-largest demand for industrial paints comes from white goods industry. Increasing consumer spending, improving economic scenario, stable inflation, and low interest rates are expected to push up demand for white

goods. Government initiatives like 'Make in India' and greater government spending for development of rural infrastructure will provide additional support. Shorter replacement cycles, multiple ownerships (in case of TVs) and low penetration levels will drive medium-term demand.

**(e) Key concerns**

- **Cost of raw materials**

Raw material costs in the paints industry generally account for around 55-60% of total cost of sales. Key raw materials used in manufacture of paints are resins & pigments, crude oil derivatives, and titanium dioxide. Prices of these raw materials tend to mirror the volatility in crude oil prices as well as the fluctuations in the currency movement. In the past, players have been able to largely pass on the increase in raw material costs due to their strong bargaining power as the industry is fairly concentrated. Going ahead, we expect prices of key raw materials to remain benign due to low crude oil prices. However, players are not expected to completely pass on the benefit to consumers, to compensate for low demand growth and also on account of high concentration in the industry.

- **Increasing housing societies**

In the metropolitan cities of India, construction of multi-storeyed buildings has resulted in the formation of cooperative housing societies. Opinions on the length of the repaint cycle for housing exteriors and associated expenditure, which is allocated from the fund pool of the society, differ widely. Hence, the decision to repaint gets delayed, reducing the number of repainting cycles.

- **Operating rates**

Operating rates in the paints industry are relatively low at 60-65%, as paint capacities are generally designed to meet peak demand requirements during festive seasons. Factors such as product mix variety, batch size, batch processing time and downtime between batches also affect plant utilisation levels. However, over last few years, plant utilisation levels of paint manufacturers have increased to about 70% for the top six.

**(f) Usage of specialty chemicals in the industry**

Due to its thixotropic properties, bentonite functions as a thickening and / or suspension agent in varnishes, and in water and solvent paints. Their absorption property is appreciated for the finishing of indigo dying cloth and in dyes (lacquers for paints & wallpapers).

**(D) Cosmetics industry in India**

**(a) Overview**

The cosmetics & personal care industry is characterised by low capital intensity and moderate competition. Brand is the key differentiator, which provides companies with required pricing flexibility to help cushion against input cost variations. While demand growth has mellowed down in some categories marked by high penetration, other categories like cosmetic products, shampoos, hair dyes, hair colours and deodorants are driven by higher disposable income and lower penetration. Moreover, premium products in personal care category have not been affected despite economic slowdown owing to their niche market. Although there is competition from the unorganised sector, the organised sector is primarily oligopolistic, with brand presence and wide geographical network acting as entry barriers. Players in the organised sector are able to pass on increase in cost of inputs such as vegetable oils, linear alkylbenzene (LAB), soda ash and packing materials given their brand and reach. Government policies do not have a significant impact on the industry.

**(g) Review of cosmetics industry**

The cosmetics and personal care industry encompasses a range of products. While cosmetics include colour cosmetics and beauty preparations, personal care comprises segments such as oral care, hair care, skincare, toilet soaps, fragrances, deodorants and shaving products. Economic and demographic trends continue to influence the sales of cosmetics and toiletries in India. As of March 2017, overall market size of the organised domestic cosmetics and toiletries industry is estimated at Rs 430-460 billion. Toilet soaps, with market size of about Rs 125-130 billion, is the largest segment of this industry, followed by hair care (Rs 97-105 billion), oral care (Rs 80-85 billion) skin care (Rs 65-70 billion) and deodorants (Rs 18-20 billion). Hair dyes under the hair care segment account for Rs 25 billion.

**(b) Growth driver**

- **Increase in per capita incomes**

A healthy increase in per capita income enhances purchasing power of consumers and provides a boost to discretionary spending. India's per capita income has grown at a slightly faster pace over last few years and strong economic growth in next 3-5 years will further improve household incomes, thereby increasing spend on personal care products.

Rise in per capita income

- **Rapid urbanisation**

India's average annual urban population growth rate has been almost double its overall population growth rate. This trend is expected to continue in the future with the share of urban population expected to increase by ~200 basis points over next five years. Urban areas offer more job opportunities and higher pay. Rapid urbanisation results in increase in spending power and also leads to rise in aspiration levels. All these factors augur well for the personal care product segment, particularly facial care products, where penetration levels are relatively low.

- **Penetration**

Penetration level of personal and skin care products is relatively low in India. In comparison to FMCG products like toothpaste, soaps, hair oil, and shampoo which have over 70% product penetration at all-India level, products like face wash, face mask and hand wash have significantly lower penetration, below 15%. Further, rural markets' penetration remains much lower than the urban market. This offers huge potential for growth of these segments.

- **Consumer awareness**

Growth in digital, TV and print advertisements; increase in both organised retail and internet penetration; launch of various domestic and foreign brands; and growth in e-commerce channel have fuelled consumer awareness of personal care and hygiene products in India. According to industry estimates, an average consumer in India spends around 35-40% of his income on groceries and less than 5% of his income on personal care products. Rise in income levels and higher awareness of personal care are expected to increase consumer spending on discretionary items. Skin care awareness is likely to be one of the major factors driving growth in this industry.

- **Higher R&D spends by companies**

Increasing competition from domestic and global players, awareness of natural and organic products, and continuously changing consumer preferences have forced manufacturers to innovate, resulting in higher R&D spend. Companies need to use customer insights to create new products or even new categories as well as alter existing products by focusing on R&D. For instance, over past few years, there has been increasing demand for natural, herbal and ayurvedic products due to which most players have come out with products containing natural ingredients. Companies need to focus on R&D and innovation, to sustain healthy growth in the segment.

- **Strong distribution network**

Efficient sales channel plays an important role for a product to succeed as there are close to 9 million FMCG outlets across the country as per industry estimates. With increasing opportunities in Indian market, many global brands have established distribution networks to cater to urban market. Rising rural demand and competition have increased efficiency in distribution and sales network for FMCG products. While many players in the FMCG industry have increased reach, there is still huge scope to improve further. Fast-growing e-commerce and increasing online shopping have multiplied opportunities to cater to untapped markets in semi-urban and rural areas. Also, improving road networks in rural regions will further expand the reach of FMCG and personal care products, to remote areas of the country.

**(c) Key risks**

- **Input-related risks**

Vegetable oils (such as palm oil) are main requirements for soaps. Soda ash prices, which rose by around 2% in FY 2017, are expected to fall by 1-2% in FY2018; most players passed on the rise to end-consumers. Although India is among the largest producers of oil seeds, demand for edible vegetable oils exceeds supply, leading to

increase in imports to bridge the demand-supply gap. Prices of palm oil rose 12% in FY 2015-16, but are expected to fall by 8-10% in FY 2016-17 and FY 2017-18 with rise in production. Going ahead, players are expected to continue to pass on most of the rise in raw material costs to consumers resulting in slight improvement in margins.

- **Oligopolistic market**

The organised sector accounts for ~70% of the industry. While competition is oligopolistic in nature in oral and hair care, it is fragmented in case of skin care. It is again oligopolistic in case of premium category in cosmetics, while it is fragmented in case of other products. India, being a price-sensitive market, cosmetics and personal care product companies, especially new entrants, have had to constantly chalk out new strategies to suit local preferences and budgets and to carve a niche for themselves in the market. Players in the organised segment compete on brand image and ability to launch relevant innovative products. Rising competition from regional and national players, coupled with new entrants, has made pricing competitive and is also eroding the market share of large players in the hair oil, skin cream, toothpaste, shampoos and soaps categories. However, organised players have been successful in combating this competition by offering products in the low-end segment and also by introducing affordable price points.

- **Rapidly-changing consumer preferences**

As the producers enter newer markets and the definition of 'beauty' evolves, the brands will have to align themselves with evolved consumer needs. As the consciousness of the consumer increases and societal values change, 'looking fair,' the long-drawn definition of beauty will undergo changes; brands will have to respond to these changes to stay relevant to consumers. Also, a gradual shift in preference to organic products has pushed manufacturers to create new brand recognitions, in order to provide a wide variety of products.

**(d) Usage of specialty chemicals in the industry**

Bentonite forms a colloidal structure in water, and thus it is used as a stabilising and rheological agent. This colloidal structure is particularly valued for its ability to trap and segregate solids in suspensions, oils in emulsions, and gases in foams or mousses. Personal care products such as mud packs, sunburn paints, baby and face powders, and face creams may contain bentonite.

**Overview of key government regulations for the chemical industry**

**(A) Government acts and regulations**

The government has taken many measures to improve competitiveness in the Indian chemicals sector. For instance, the Government of India released a Draft National Chemical Policy, aimed at increasing the share of chemicals sector in the country's GDP. Industrial licensing has been done away with in most sectors, except for a small list of hazardous chemicals. Approval has been granted for foreign direct investment (FDI) of up to 100% in the sector. The government is also continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby assisting greater investments in technology upgradation and modernisation. Policies have been initiated to set up integrated petroleum, chemicals, and petroleum investment regions (PCPIR). The government's Make in India initiative is also expected to facilitate common infrastructure. Implementation of GST is also expected to aid industry. The chemical industry catering to the export market, especially to the European markets, is governed under strict regulations like Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), Restriction of Hazardous Substances directives, and Classification, Labelling and Packaging (CLP) regulations, benefiting larger players, but affecting smaller ones, as the latter have to incur additional costs for testing and registration.

**(B) Key policies**

**(a) FDI regulations**

The government allows 100% FDI in the chemicals sector. No licences are required for production of most chemicals including organic, inorganic, dyestuff and pesticides. In April 2000 – September 2017, FDI in chemicals industry was \$14.1 billion.

**(b) Make in India**

The 'Make in India' initiative, launched in September 2014, was devised to transform India into a global design and manufacturing hub. For this initiative, the government has identified 25 key sectors, including chemicals, considering their likelihood of receiving FDI. Some chemicals such as wax candles, safety matches, and incense

sticks have been reserved for the MSME sector; the government has allowed FDI above 24% via the government route in these chemicals

**(c) Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR)**

Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) were introduced in 2007, to set up manufacturing hubs which would service both domestic and export markets. It would be a delineated region of about 250 square kilometers, which would also house associated services and infrastructure. It would be a combination of production units, public utilities, logistics, environment protection mechanisms, residential areas, and administrative services. So far, the central government has approved four PCPIRs: Gujarat, Andhra Pradesh, Tamil Nadu and Odisha. Total proposed investments in these four regions is about Rs 9 trillion, of which, investments worth Rs 1.8 trillion have been either made or committed, as of March 2017.

**(d) GST**

GST is an indirect tax, which came into effect in India from July 1, 2017, replacing existing multiple indirect taxes with a single tax. Even though GST is seen as a positive step for the industry due to savings incurred in freight and storage, change in tax rates is expected to impact several players. Most players are seen passing on the change in rate to end users.

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 15 of this DRHP, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year. The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this DRHP including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 17 and 168, respectively.*

### **Overview**

Our Company is engaged in processing and selling of a wide range of Specialty Chemicals which primarily include (i) Functional Additives (FA) & (ii) Chemically Modified Minerals (CMM). Our Company is also engaged in processing and selling of (i) Soft Minerals (SM) & (ii) Hard Minerals (HM). Our products have a variety of applications and are used in industries such as paints & coatings, printing inks, plastics & polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical & pharmaceuticals, textile, oil-well drilling, filtration. Our Company is focused on innovative products catering to diversified industries and specializes in customized products, based on specific requirements of our customers.

Our Company is an ISO 9001: 2008 certified Company having Existing Facilities located at (i) Unit 1: Plot 9 – 10, GIDC Waghodia, Vadodara, Gujarat (ii) Unit 2: Plot 347 GIDC Waghodia, Vadodara, Gujarat and (iii) Unit 3: Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu. Our company had an annual sale of processed mineral of 8,005 MT, 16,747 and 11,876 MT for the FY 2016, FY 2017 and the six month period ended September 30, 2017, respectively. Additionally, our company had an annual sale of mined minerals of 74,504 MT 99,781 MT and 36,477 as well as an annual sale of traded minerals of 7,967 MT 4,288 MT and 1,351 MT for the FY 2016, FY 2017 and the six month period ended September 30, 2017, respectively. Our Company owns the mining rights of “China Clay Mine” located at Survey Number 682, Near Village Nadappa, Taluka Bhuj, District Kutch, Gujarat, which has an estimated mining reserve of 13.42 million tonnes.

Our Company is a subsidiary of 20 Microns Limited, which is a known processor of non-metallic white industrial minerals, offering innovative products in the field of functional fillers, extenders and Specialty Chemicals. Our Company, through our Corporate Promoter 20 Microns Limited, has an established market presence in India and abroad for commercial distribution & technical assistance, through our network. We have a long term arrangement with our Corporate Promoter to market and sell our products through their network.

Our Promoter and Founder, Mr. Chandresh S. Parikh has around 35 years of experience in the field of functional fillers, extenders and Specialty Chemicals and has contributed to the growth of our business operations including product development through Research & Development. Mr. Chandresh S. Parikh is assisted by our other Individual Promoters, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh, in order to carry out functional responsibilities of our Company, by overseeing our manufacturing operations and our marketing activities.

Our Company has a DSIR approved, well-equipped research and development Center (“R&D Center”) located at Plot 11, GIDC Waghodia, Vadodara, Gujarat, comprising an area of approximately 1,000 square meters. The R & D Center continuously carries out product and process development activities for enhancing product quality, improving operational efficiencies and augmenting the product lines. The R&D Center is equipped with technologically advanced instruments governed under the expert supervision of our qualified and competent scientists, geologists and engineers for continuous innovations and improvement in quality of our finished products. As at December 31, 2017, Our R & D Center employs 13 scientists as well as 1 doctorate holders.

Our revenue from operations for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 2,580.51 Lakh, ₹ 2,390.65 Lakh, ₹ 3,251.70 Lakh and ₹ 1,919.63 Lakh, respectively. Our EBITDA for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 301.44 Lakh, ₹ 256.42 Lakh, ₹ 423.94 Lakh and ₹ 286.92 Lakh, respectively. Our PAT for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 149.58 Lakh, ₹ 90.18 Lakh, ₹ 174.82 Lakh and ₹ 132.75 Lakh, respectively. Our three year CAGR for revenue from operations from FY 2015 to FY 2017 is 12.25 %, our three year CAGR for EBITDA from FY 2015 to FY 2017 is 18.59 % and our three year CAGR for PAT



from FY 2015 to FY 2017 is 8.11 %. Our ROCE for FY 2017 is 12.07 % and our ROE for FY 2017 is 9.70 % respectively. Our total debt / equity ratio has improved from 0.77 times in FY 2015 to 0.33 times in FY 2017.

## **Our Strengths**

### **(1) Diversified product portfolio**

The product portfolio of our Company primarily consists of the following business segments: (i) Functional Additives (FA) such as Polyethylene Wax and (ii) Chemically Modified Minerals (CMM) such as Attapulgite, Bentonite, Organoclay, Matting Agent, Diatomaceous Earth and Calcium Oxide. This product portfolio is supplemented by (i) Soft Minerals (SM) such as Mica, Talc and China Clay and (ii) Hard Minerals (HM) such as Calcite, Dolomite and Silica. Our diversified product portfolio has enabled us to be a broad based specialty chemical manufacturer, which we believe, further protects us from demand reduction of particular product.

### **(2) Diversified user industries**

Our products are used in a wide spectrum of industries, which include paints & coatings, printing inks, plastics & polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical & pharmaceuticals, textile, oil-well drilling, filtration. As we have exposure to many industries, we believe, we are not susceptible to the business cycles of any one single industry, which further helps us in managing our risk.

### **(3) Import Substitution**

Some of our products such as Polyethylene Wax and Bentonite are import substitutes. This helps us to cater to domestic demand of products at attractive prices. While we may compete with international suppliers in the domestic market and the international market, yet, as a domestic manufacturer, we believe that, we are able to be competitive in pricing. We are manufacturing and developing well accepted functional import substitutes.

### **(4) Support of our holding company**

We derive substantial synergies from our Corporate Promoter, 20 Microns Limited. We believe our relationship with 20 Microns Limited is a critical factor, enhancing our geographic reach and market penetration. We utilize the wide spread domestic & international marketing and distribution network of our Corporate Promoter, enabling us to distribute products quickly and reach a larger market through established marketing channels.

### **(5) Product innovation and continuous R&D**

We believe in offering better products through continuous research and development in our R&D Center. We employ chemists, geologists and chemical engineers who innovate in the chemical, mineral and additive space providing solution driven products of reputed quality. We invest our resources in understanding consumer behaviour and formulate strategies aimed at fulfilling the evolving & expanding consumer needs.

### **(6) Strong management team**

We have an experienced, qualified and dedicated Management team. Our Individual Promoters collectively have more than 4 decades of experience in the field of functional fillers, extenders and Specialty Chemicals. Our Company includes management executives and independent members who bring business acumen and experience to our Company. Our experienced management and their understanding of the products and markets enable us to continue to understand and take advantage of current as well as future business opportunities.

## **Our Strategy**

### **(1) Focus on scaling up production of high margin yielding products**

Currently, we are processing and marketing a wide range of Specialty Chemicals such as (i) Functional Additives (FA) and (ii) Chemically Modified Minerals (CMM). We also process and market (i) Soft Minerals (SM) and (ii) Hard Minerals (HM) as well as engage in trading of certain minerals. Our Company is focused on scaling up production capacity, adding new products and improving the process of Functional Additives (FA) and Chemically Modified Minerals (CMM), which we believe have a higher profit margin. We intend to focus on the processing of these minerals, which we believe have potential to provide higher sales and realisations.

**(2) To expand manufacturing facilities for catering to newer products**

We intend to set up a new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat (Proposed Facility) to add manufacturing capacity for our new products: (i) Micronized Wax: Cryogenic (ii) Coloured Mica: Organoclay Plant (iii) Fumed Silica: Flash Calcination as well as to increase the manufacturing capacity for our existing products: (i) Non Micronized Wax: Spray Cooler (ii) Bentonite: Organoclay Plant (iii) Organoclay: Organoclay Plant (iv) Attapulgit: Flash Calcination (v) Diatomaceous Earth: Flash Calcination. For further details, kindly refer the chapter titled “Objects of the Issue” beginning on page 75 of this DRHP.

**(3) To enhance our portfolio of differentiated products**

We intend to continue our focus on increasing our portfolio of differentiated products as well as expanding our presence in segments where we are currently present. We believe the continued expansion of our product portfolio will enable us to achieve higher operational efficiencies that will drive our profitability. We believe an expanded product portfolio will not only enable us to achieve higher sales efficiency to drive additional revenues, but also optimally utilize our production capacity and increase returns on our investment in our facilities. Many of our products are import substitutes, which help us, cater to an existing product demand.

**(4) Improving cost structure through economies of scale**

We believe in providing quality products at competitive prices, for which we need to achieve good cost control and make our manufacturing processes more cost effective. We intend to scale up our current capacities to larger sizes in order to obtain economies of scale, identify efficient manufacturing operations, improve quality standards and achieve cost efficiencies. We plan to improve our production process of certain products by installing new machinery for some of our existing products at our Proposed Facility, to further improve margins.

**Our Manufacturing Facilities**

The following are the details of our manufacturing facilities, alongwith the ownership and the product segment:

Unit	Location	Ownership	Product Segments
Unit 1	Plot 9 - 10, GIDC Waghodia, Vadodara, Gujarat	Owned	CMM & HM
Unit 2	Plot 347, GIDC Waghodia, Vadodara, Gujarat	Leased from 20 Microns Limited	FA, CMM & SM
Unit 3	Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu	Leased from 20 Microns Limited	SM & HM

The following are select pictures of our manufacturing facilities and our R&D Center:

**Unit 1**



**Unit 1**



**R&D Center**



**Unit 2**



**Unit 3**



**Unit 3**



**Installed Capacity & Capacity Utilisation:**

The installed capacity and capacity utilisation for the last 3 financial years, as per each segment, is as follows:

(Units in MTPA)					
<b>FY 2015 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	-	-	-	-
Unit 2	800	1,500	1,000	-	3,300
Unit 3	-	-	-	-	-
<b>Total</b>	<b>800</b>	<b>1,500</b>	<b>1,000</b>	<b>-</b>	<b>3,300</b>
<b>FY 2015 (Utilised)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	-	-	-	-
Unit 2	652	1,298	884	-	2,833
Unit 3	-	-	-	-	-
<b>Total</b>	<b>652</b>	<b>1,298</b>	<b>884</b>	<b>-</b>	<b>2,833</b>
<b>FY 2016 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	-	-	-	-
Unit 2	800	1,500	1,000	-	3,300
Unit 3	-	-	1,350	5,640	6,990
<b>Total</b>	<b>800</b>	<b>1,500</b>	<b>2,350</b>	<b>5,640</b>	<b>10,290</b>
<b>FY 2016 (Utilised)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	-	-	-	-
Unit 2	561	1,026	781	-	2,369
Unit 3	-	-	1,195	4,441	5,636
<b>Total</b>	<b>561</b>	<b>1,026</b>	<b>1,977</b>	<b>4,441</b>	<b>8,005</b>
<b>FY 2017 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	900	-	9,000	9,900

<b>FY 2017 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 2	800	1,500	1,000	-	3,300
Unit 3	-	-	2,700	5,640	8,340
<b>Total</b>	<b>800</b>	<b>2,400</b>	<b>3,700</b>	<b>14,640</b>	<b>21,540</b>

<b>FY 2017 (Utilised)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	515	-	8,727	9,242
Unit 2	487	972	507	-	1,965
Unit 3	-	-	1,425	4,115	5,540
<b>Total</b>	<b>487</b>	<b>1,487</b>	<b>1,931</b>	<b>12,842</b>	<b>16,747</b>

<b>FY 2018 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	900	-	12,000	12,900
Unit 2	800	1,500	1,000	-	3,300
Unit 3	-	-	2,700	5,640	8,340
<b>Total</b>	<b>800</b>	<b>2,400</b>	<b>3,700</b>	<b>17,640</b>	<b>24,540</b>

<b>FY 2018 (Utilised) (6M)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	394	-	5,003	5,397
Unit 2	242	430	498	-	1,170
Unit 3	-	-	1,123	4,186	5,309
<b>Total</b>	<b>242</b>	<b>824</b>	<b>1,620</b>	<b>9,189</b>	<b>11,876</b>

(Source: Management estimation letter dated March 19, 2018)

The above calculation for installed capacity and utilised capacity excludes the mined minerals of 68,515 MT, 74,504 MT, 99,781 MT and 36,477 for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, respectively as well as excludes the traded minerals of 13,923 MT, 7,967 MT, 4,288 MT and 1,351 MT for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, respectively.

Our plant and machinery is capable of manufacturing a variety of products of varying grades. The installed capacity of our plant and machinery is assumed for a specified micron size, whereas the output may differ (increase or decrease) for a different micron size. The installed capacity is for a specified micron size, but the utilised capacity is as per the micron size specified by the customer. Additionally, for any particular plant & machinery, the capacity utilised by HM is different than the capacity as utilised by FA, CMM or SM. While the manufacturing process is different for each segment, the installed capacity is calculated vis-à-vis the machinery.

We propose to continue to manufacture at a similar capacity utilisation factor at our Existing Facilities as well as add further new capacity in the FA & CMM segments at the Proposed Facility. We propose to shift our capacity utilisation from HM & SM to FA & CMM, within the overall capacity utilisation at our Existing Facilities. Also, the manufacturing process at the Proposed Facility would be different than the manufacturing process at the Existing Facilities. While we continue to manufacture the existing products with varying yield at our Existing Facilities, the products proposed to be manufactured at the Proposed Facility would yield higher gross margins as compared to our current products. Accordingly, we propose to add further capacities for existing products, add new capacity for our new products as well as improve the production process for our existing products.

The installed capacity and capacity utilisation for the next 3 financial years, as per each segment, is as follows:

<b>(Units in MTPA)</b>					
<b>FY 2018 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	900	-	12,000	12,900
Unit 2	800	1,500	1,000	-	3,300
Unit 3	-	-	2,700	5,640	8,340
Proposed Facility	-	-	-	-	-
<b>Total</b>	<b>800</b>	<b>2,400</b>	<b>3,700</b>	<b>17,640</b>	<b>24,540</b>

<b>FY 2018 (Utilised)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	788	-	10,006	10,794
Unit 2	484	860	995	-	2,340
Unit 3	-	-	2,245	8,372	10,617

<b>FY 2018 (Utilised)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Proposed Facility	-	-	-	-	-
<b>Total</b>	<b>484</b>	<b>1,648</b>	<b>3,241</b>	<b>18,378</b>	<b>23,751</b>
<b>FY 2019 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	900	-	12,000	12,900
Unit 2	800	1,500	1,000	-	3,300
Unit 3	-	-	2,700	5,640	8,340
Proposed Facility	-	-	-	-	-
<b>Total</b>	<b>800</b>	<b>2,400</b>	<b>3,700</b>	<b>17,640</b>	<b>24,540</b>
<b>FY 2019 (Utilised)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	788	-	10,006	10,794
Unit 2	484	860	995	-	2,340
Unit 3	-	-	2,245	8,372	10,617
Proposed Facility	-	-	-	-	-
<b>Total</b>	<b>484</b>	<b>1,648</b>	<b>3,241</b>	<b>18,378</b>	<b>23,751</b>
<b>FY 2020 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	900	-	12,000	12,900
Unit 2	800	1,500	1,000	-	3,300
Unit 3	-	-	2,700	5,640	8,340
Proposed Facility	8,200	7,400	-	-	15,600
<b>Total</b>	<b>9,000</b>	<b>9,800</b>	<b>3,700</b>	<b>17,640</b>	<b>40,140</b>
<b>FY 2020 (Utilised)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	788	-	10,006	10,794
Unit 2	484	860	995	-	2,340
Unit 3	-	-	2,245	8,372	10,617
Proposed Facility	2,700	4,300	-	-	7,000
<b>Total</b>	<b>3,184</b>	<b>5,948</b>	<b>3,241</b>	<b>18,378</b>	<b>30,751</b>
<b>FY 2021 (Installed)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	900	-	12,000	12,900
Unit 2	800	1,500	1,000	-	3,300
Unit 3	-	-	2,700	5,640	8,340
Proposed Facility	8,200	7,400	-	-	15,600
<b>Total</b>	<b>9,000</b>	<b>9,800</b>	<b>3,700</b>	<b>17,640</b>	<b>40,140</b>
<b>FY 2021 (Utilised)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	788	-	10,006	10,794
Unit 2	484	860	995	-	2,340
Unit 3	-	-	2,245	8,372	10,617
Proposed Facility	3,110	4,670	-	-	7,780
<b>Total</b>	<b>3,594</b>	<b>6,318</b>	<b>3,241</b>	<b>18,378</b>	<b>31,531</b>

(Source: Management estimation letter dated March 19, 2018)

The overall utilised capacities are proposed to remain constant for FY 2018 and FY 2019. For FY 2020 and FY 2021, the utilised capacity would increase due to the utilization of the capacity for the Proposed Facility.

### **Our Products**

We divide our products into the following segments, as per the categorization of products:

<b>Segment</b>	<b>Products</b>
Functional Additives (FA)	Polyethylene Wax
Chemically Modified Minerals (CMM)	Attapulgite, Bentonite, Organoclay, Matting Agent, Diatomaceous Earth, Calcium Oxide
Soft Minerals (SM)	Mica, Talc, China Clay
Hard Minerals (HM)	Calcite, Dolomite & Silica

We believe that our products in the segments of FA and CMM have better profitability margin than SM and HM due to better value addition properties. We propose to increase the proportion of FA and CMM within our product offering, as compared to SM and HM. While we process most of our products in our manufacturing facilities, we also utilise the manufacturing facility of our Corporate Promoter, 20 Microns Limited, and vice-versa, in case of few products, wherein there is an excess capacity in one location and excess demand in another location. We also engage into select trading of few products, which are required to be offered with our products.

Our products are industrial products, meant for industrial end users and hence are not seasonal in nature. We cater to various industrial segments which provide us with a well dispersed demand on a regular basis throughout the year. However, our mines are not operational during few months, especially in the rainy season.

The following is a bifurcation of the segment-wise sales quantity and value for the past 3 financial years:

#### Sales Quantity

	(Units in MTPA)				
<b>FY 2015</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	-	-	-	-
Unit 2	652	1,298	884	-	2,833
Unit 3	-	-	-	-	-
<b>Manufacturing Total</b>	<b>652</b>	<b>1,298</b>	<b>884</b>	<b>-</b>	<b>2,833</b>
Mined Mineral	-	-	68,515	-	68,515
Traded Mineral	1	6,099	7,759	63	13,923
<b>Grand Total</b>	<b>653</b>	<b>7,397</b>	<b>77,157</b>	<b>63</b>	<b>85,270</b>
<b>FY 2016</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	-	-	-	-
Unit 2	561	1,026	781	-	2,369
Unit 3	-	-	1,195	4,441	5,636
<b>Manufacturing Total</b>	<b>561</b>	<b>1,026</b>	<b>1,977</b>	<b>4,441</b>	<b>8,005</b>
Mined Mineral	-	-	74,504	-	74,504
Traded Mineral	3	4,315	3,560	90	7,967
<b>Grand Total</b>	<b>564</b>	<b>5,341</b>	<b>80,041</b>	<b>4,531</b>	<b>90,477</b>
<b>FY 2017</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	515	-	8,727	9,242
Unit 2	487	972	507	-	1,965
Unit 3	-	-	1,425	4,115	5,540
<b>Manufacturing Total</b>	<b>487</b>	<b>1,487</b>	<b>1,931</b>	<b>12,842</b>	<b>16,747</b>
Mined Mineral	-	-	99,781	-	99,781
Traded Mineral	1	172	4,048	66	4,288
<b>Grand Total</b>	<b>488</b>	<b>1,659</b>	<b>105,760</b>	<b>12,908</b>	<b>120,815</b>
<b>FY 2018 (6 M)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	394	-	5,003	5,397
Unit 2	242	430	498	-	1,170
Unit 3	-	-	1,123	4,186	5,309
<b>Manufacturing Total</b>	<b>242</b>	<b>824</b>	<b>1,620</b>	<b>9,189</b>	<b>11,876</b>
Mined Mineral	-	-	36,477	-	36,477
Traded Mineral	-	42	1,031	278	1,351
<b>Grand Total</b>	<b>242</b>	<b>867</b>	<b>39,128</b>	<b>9,467</b>	<b>49,704</b>

(Source: Management estimation letter dated March 19, 2018)

#### Sales Value

	(₹ in Lakh)				
<b>FY 2015</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	-	-	-	-
Unit 2	817.50	588.28	118.58	-	1,524.36
Unit 3	-	-	-	-	-
<b>Manufacturing Total</b>	<b>817.50</b>	<b>588.28</b>	<b>118.58</b>	<b>-</b>	<b>1,524.36</b>
Mined Mineral	-	-	167.57	-	167.57
Traded Mineral	1.05	500.62	289.14	2.54	793.35

<b>FY 2015</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
<b>Grand Total</b>	<b>818.55</b>	<b>1,088.90</b>	<b>575.28</b>	<b>2.54</b>	<b>2,485.28</b>

<b>FY 2016</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	-	-	-	-
Unit 2	676.19	500.35	132.64	-	1,309.18
Unit 3	-	-	115.52	373.08	488.60
<b>Manufacturing Total</b>	<b>676.19</b>	<b>500.35</b>	<b>248.16</b>	<b>373.08</b>	<b>1,797.78</b>
Mined Mineral	-	-	174.26	-	174.26
Traded Mineral	1.69	235.18	188.98	5.14	430.99
<b>Grand Total</b>	<b>677.88</b>	<b>735.53</b>	<b>611.39</b>	<b>378.22</b>	<b>2,403.02</b>

<b>FY 2017</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	257.95	-	718.08	976.03
Unit 2	568.25	487.13	91.51	-	1,146.89
Unit 3	-	-	104.99	301.93	406.92
<b>Manufacturing Total</b>	<b>568.25</b>	<b>745.08</b>	<b>196.50</b>	<b>1,020.01</b>	<b>2,529.84</b>
Mined Mineral	-	-	269.81	-	269.81
Traded Mineral	0.67	141.20	309.19	1.05	452.11
<b>Grand Total</b>	<b>568.92</b>	<b>886.28</b>	<b>775.50</b>	<b>1,021.06</b>	<b>3,251.76</b>

<b>FY 2018 (6 M)</b>	<b>FA</b>	<b>CMM</b>	<b>SM</b>	<b>HM</b>	<b>Total</b>
Unit 1	-	189.37	-	429.78	619.15
Unit 2	268.89	326.48	118.62	-	713.99
Unit 3	-	-	68.88	306.97	375.86
<b>Manufacturing Total</b>	<b>268.89</b>	<b>515.85</b>	<b>187.51</b>	<b>736.76</b>	<b>1,709.00</b>
Mined Mineral	-	-	98.10	-	98.10
Traded Mineral	-	27.52	56.25	15.89	99.65
<b>Grand Total</b>	<b>268.89</b>	<b>543.37</b>	<b>341.86</b>	<b>752.64</b>	<b>1,906.75</b>

(Source: Management estimation letter dated March 19, 2018)

The total sales in value and quantity include the manufacturing and mined / traded products of our Company. We are optimally utilizing the capacity of our manufacturing facilities as well as providing mined / traded minerals, alongwith our product portfolio. However, as the gross margins of FA and CMM are comparatively much higher, we are focusing our efforts on increasing the sales quantity and value of high margin products.

The following is a description of our major products in each segment, with their end-use and brand names:

**(A) Functional Additives (FA)**

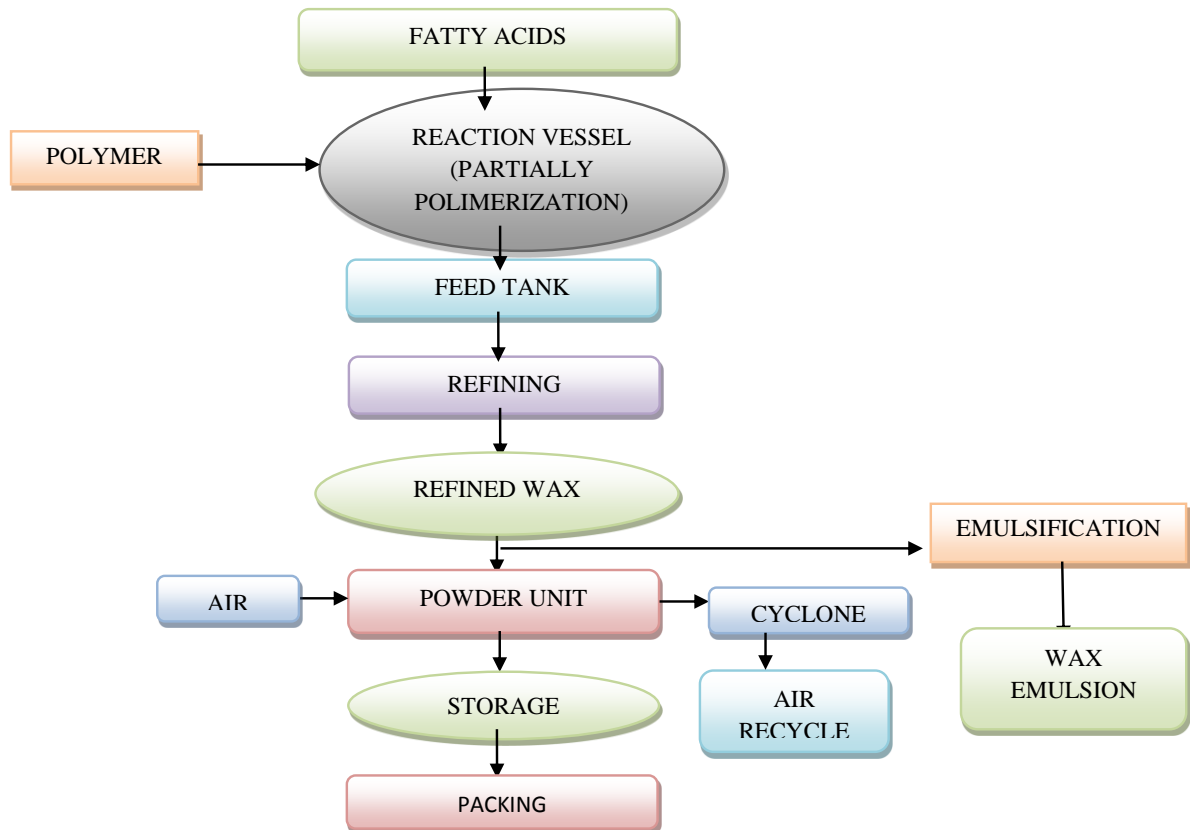
**(1) Polyethylene Wax**

Polyethylene waxes are of 2 grades, emulsifiable & non emulsifiable waxes, as per relation to molecular weight.

**(a) Applications**

- Used in textiles, food packaging, coating, inks and adhesives to increase the flow (to decrease the viscosity).

**(b) Process Flow Diagram of Wax Additives / Processing Aid:**



**(c) Brand names**

**(i) FASTFLOW P**

FASTFLOW P – Low Molecular Polyethylene Wax is used as a matting wax and processing aid for hard to disperse pigment and fillers in powder coatings, paints and printing ink. FASTFLOW P provides Lubricity and increases the processing capability of the extruder to its optimum level of performance. FASTFLOW P increases surface protection and scratch resistance.

**Key Benefits**

- Blocks resistance
- Increases hardness
- Enhances scratch resistance
- Imparts surface smoothness
- Provides matting and gloss control
- Provide lubrication and enhance flow

**(ii) FASTFLOW – S**

FASTFLOW – S is a Low – Molecular Polyethylene Processing wax.

**Key Benefits**

- As a petrochemical substitute, it is techno commercially beneficial than most conventional products
- For molded components, improves flow characteristics, productivity and reduces rejection level
- For extruded products, improves the gloss and surface appearance
- Improves homogeneity in mixing of rubber compounds
- Provides better dispersion of pigment and filler in rubber mix
- Improves the rheological properties of injection molded and calendaring rubber



- Used as a processing aid for natural and synthetic rubber and provides pronounced lubricant effect

### (iii) FLOW AID

FLOW AID is a one- pack lubricant for filler loaded polymer compounds like PVC, TPE. It is thermally stable lubricant with high brightness and able to replace both internal and external lubricants used in PVC processing.

#### Key Benefits

- Enhances brightness and surface finish
- Improves impact strength and other mechanical properties
- Lowers friction in the machines and acts as a good mould release agent
- Imparts colour stability during extrusion and in exposure
- Enables smooth processing with higher throughput

### (B) Chemically Modified Minerals (CMM)

We have three major types of CMM (i) Attapulgite based (ii) Bentonite based and (iii) Organoclays. Attapulgite & Bentonite works as a co-thickener with cellulosic, associative and alkali swellable thickeners in demanding applications, particularly aqueous and solvent borne coatings, paper, detergents, cosmetics and paper. Organoclay is an organic derivative of bentonite clay, which acts as an additive in moderate to high polarity systems such as ketones, glycol, alcohol and esters. Organoclay is composed of agglomerates, which are stacks of bentonite platelets. Organoclays are used in paints & coatings, printing inks, greases, cosmetic, oil well drilling & nano composites.

#### (1) Attapulgite

Attapulgite, a naturally occurring mineral, is a crystalline hydrated magnesium alumino-silicate with a three dimensional chain structure that gives it unique colloidal and sorptive properties. Fully hydrated attapulgite grades thicken liquids without swelling. The Attapulgite thickeners effectively form thixotropic colloidal gels in ionic and non-ionic aqueous solutions. They are used in paints and coatings, offering rapid dispersibility and effective thixotropic thickening in adhesives, sealants and wallboard compounds. They provide sag resistance, viscosity control, spreadability and excellent feathering at low cost. Attapulgite thickeners build excellent thixotropic characteristics in asphalt cutbacks and emulsions. Other important applications for Attapulgite products include polishes, ceramic grouts, molecular sieve binders, wax emulsions, lubricants, liquid flowable pesticides, suspension fertilizers, liquid detergents, drilling mud, liquid animal feed and soaps.

#### (a) Applications

- **Paints and Coatings:** Attapulgite is used in latex and other general waterborne formulations. Other grades which contain fewer residues are used in more demanding aqueous and solvent borne coatings, such as primers, topcoats, maintenance coatings, marine finishes and semi-gloss and gloss enamels. Attapulgite works as co-thickeners with cellulosic, associative and alkali swellable thickeners. It is added with other chemical based thickeners to reduce the overall thickening cost by paint manufacturers.
- **Suspension / Thickening Applications:** Attapulgite products are ideal for suspending pigment slurries, refractory coatings, ceramic slurries, liquid soaps and other applications where limited mixing capabilities exist. Attapulgite is a highly effective gellant and thixotrope in aqueous systems. A variety of thickening characteristics can be achieved by varying the amount of Attapulgite used. Industrial cleaners, paint remover, mineral oils and many other liquids can be thickened with attapulgite products.
- **Plastics:** Attapulgite controls viscosity and gives sag resistance to vinyl plastisol and epoxy systems. Thixotropic properties allow easy flow for application and prevent sag upon deposition. Attapulgite prevents settling and "float-out" in lightweight filler compounds.
- **Tape Joint Compounds:** Attapulgite provides for smooth, scratch-free application in these thick films, as well as for sag resistance, viscosity control, spreadability and excellent feathering at low cost

- **Adhesives and sealants:** Attapulgite thickeners provide superior thickening, sag resistance and ease of application, especially in highly filled systems.
- **Construction:** Attapulgite can be used as a cellulosic thickener replacement in mortars in grouts.

**(b) Brand name**

**HYDROXYLGEL:** HYDROXYLGEL is chemically modified Hydrated Magnesium Aluminium Silicate with unique chain structure. HYDROXYLGEL can be used as thixotropic agent, stabilizer and anti-settling agent in latex and other general waterborne formulations. HYDROXYLGEL works as co-thickener with cellulosic, associative and alkali swellable thickener. HYDROXYLGEL used for water borne system in paints, adhesives, sealants and coatings, printing inks. The properties of HYDROXYLGEL allows paints, adhesives and printing ink to spread easily when rolled, sprayed or brushed and then stiffen at a controlled rate. HYDROXYLGEL thickeners provide sag resistance, viscosity control, spread ability and feathering at low cost.

Recently, we have changed the brand name from HYDROXYLGEL to ATPGEL. HYDROXYLGEL is the combination of Attapulgite and Bentonite. However, we have separated both the minerals as follows: (i) Attapulgite based product brand name would be ATPGEL and (ii) Bentonite based product brand name would be Rio-Bent EW. For existing customers, we will continue to use the current brand name of HYDROXYLGEL.

**(2) Bentonite**

Bentonite is Aluminum Silicate which consists mostly of the mineral montmorillonite, with an ability to swell in water. Bentonite consists of aggregates of flat platelets that have a high specific surface area, high plasticity, expands when wet and is inert and non-toxic. Two types of Bentonite are recognized, and the uses of each depend on specific physical properties.

- (i) **Sodium Bentonite:** Sodium Bentonite is the type of swelling clay. It has single water layer particles which contain  $\text{Na}^+$  as the exchangeable ion.
- (ii) **Calcium Bentonite:** Calcium Bentonite is the non-swelling clay. It has a double water layer with  $\text{Ca}^{2+}$  as the exchangeable ion.

**(a) Applications**

- **Pharmaceuticals, Cosmetics and Medical Markets:** Bentonite is used as filler in pharmaceuticals and due to its absorption / adsorption functions, allows paste formation. Such applications include industrial protective creams, calamine lotion, wet compresses, and anti irritants for eczema. In medicine, bentonite is used as an antidote in heavy metal poisoning. Personal care products such as mud packs, sunburn paint, baby and face powders, and face creams may all contain bentonite.
- **Oils / Food Markets:** Bentonite is utilised in the removal of impurities in oils where its adsorptive properties are crucial in the processing edible oils and fats (Soya / palm / canola oil). In drinks such as beer, wine and mineral water and in products like sugar or honey, bentonite is used as a clarification agent.
- **Paints, Dyes and Polishes:** Due to its thixotropic properties, bentonite and organoclays function as a thickening and / or suspension agent in varnishes, and in water and solvent paints. Their adsorption property is appreciated for the finishing of indigo dying cloth and in dyes (lacquers for paints & wallpapers).
- **Construction and Civil Engineering:** Bentonite in civil engineering applications is traditionally used as a thixotropic, support and lubricant agent in diaphragm walls and foundations, in tunnelling, in horizontal directional drilling (HDD) and pipe jacking.
- **Catalyst:** Chemically modified clay catalysts find application in a diverse range of duties where acid catalysis is a key mechanism. Most particularly they are employed in the alkylation processes to produce fuel additives.
- **Drilling:** Another conventional use of bentonite is as a mud constituent for oil and water well drilling. Its role is mainly to seal the borehole walls, to remove drill cuttings and to lubricate the cutting head.

### (b) Brand name

**Rio-Bent EW:** Rio-Bent EW is suspending and thickening properties with pigments and extenders. It is excellent thixotropy for reducing sags & drips. Rio-Bent EW additive is highly beneficiated, easily dispersible white bentonite clay.

### (3) Organoclay

Organoclay is an organically modified Bentonite, derived from a naturally occurring clay mineral. Bentonite in its natural state can absorb up to seven times its weight in water. When organoclay is added to an organic solvent and subjected to shear, the quaternary ammonium ions become dissolved. The force of dissolution keeps the clay platelets in suspension, dispersing the organoclay and causing gelling. Organoclay can be used to remove oil from water. It can be used as a component in paint formulations or as a viscosifier for oil-based drilling fluids. It can be used in polymer chemistry as a nucleating agent.

#### (a) Applications

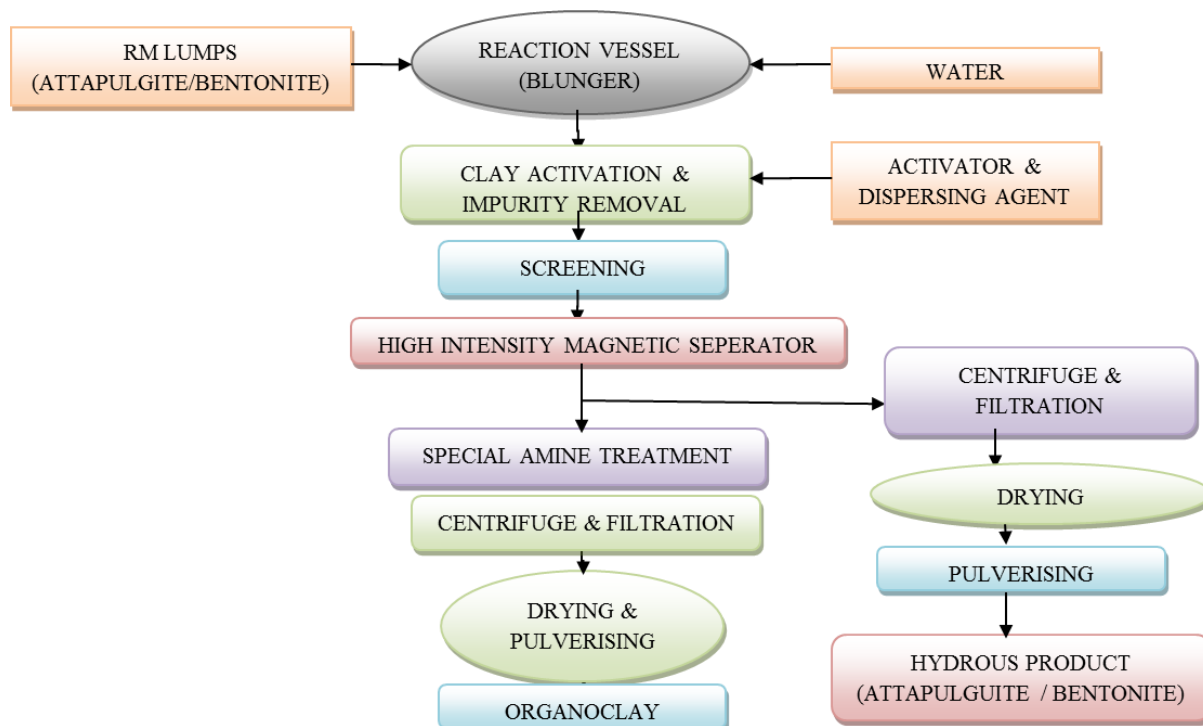
- **Lubricating grease:** Thickening lubricating oils with organoclay can produce speciality high temperature resistant lubricating greases. Organoclay also gives good working stability and water resistance to the greases. Such greases are typically used for lubrication in foundries, mills and on high speed conveyors. Other greases can be manufactured for other industries such as agriculture, aviation, automotive and mining.
- **Paints & coatings:** A small addition of organoclay can greatly enhance the thickening properties of the paint solution. These properties prevent pigment settling and sagging on vertical surface to ensure the proper thickness of the coating is applied. They also ensure good leveling for the removal of brush marks. Organoclay are used widely in a vast range of solvent based paint systems.
- **Printing inks:** With the correct organoclay, is possible to adjust the consistency of printing inks to the desired values, avoiding pigment sedimentation, providing good color distribution obtaining desired film thickness, reduction in misting, control of track, water pick up and dot gain control. Organoclay are used in letterpress and offset ink.
- **Cosmetics:** The performance of cosmetics is enhanced by the use of organoclay and they allow good colour retention and coverage for nail lacquers, lipsticks and eye shadows. They have been tested to be non-irritant for both skin and eye contact.
- **Industrial coatings:** Organoclay is used in air drying, stoving enamels, epoxies, anti-corrosive coatings, automotive coatings, bituminous application, road marking, underbody car coatings, nitro cellulose and chlorinated rubber.
- **Architectural paints:** Organoclay is used in making primers, semi-gloss and gloss solutions.

### (b) Brand name

**RIO-BENT:** RIO – BENT is an organic derivative of bentonite clay act as rheological additive in low to high polarity systems. Such as ketones, glycol, alcohol, esters and ethers, includes polar system with some aromatic solvents.

The process flow of Attapulgate, bentonite and organoclay is significantly similar to a large extent, due to the common characteristics. They are also known as inorganic rheology modifiers, due to their product applications.

### Process Flow Diagram of Inorganic Rheology Modifiers:



#### (4) Matting Agent

Matting agent is prepared from Silica. The sodium silicate is obtained from naturally available silica by melting the silica ore in the presence of alkali flux. The silica produced after hydrothermal process is having relatively soft morphology. By treatment the silica surface can be partially modified with organic (waxes) or inorganic material for better dispersion in the reaction medium. The key benefits are:

- Temperature resistant up to 200 °C
- Narrow particle size distribution
- Highly transparent in film
- High scratch resistance
- Shear resistant
- No melting point
- Chemical resistant
- Good matting effect
- High resistance to polishing
- No adverse effects on catalysts
- Good gloss retention in all weather
- Little influence on viscosity / rheology
- No swelling in normal coatings solvents

#### (a) Brand name

**FMSIL** – FMSIL is high performance silica developed for variety of applications in paints and coatings to achieve matt finish. FMSIL allows exceptional surface characteristic with excellent slip effect, FMSIL had outstanding suspension behavior and suitable for use in pigmented coatings and also use in clear coats. It is used as a substitute for other organic chemical based matting agents. It is techno commercial advantageous for paint manufacturers.

#### (5) Diatomaceous Earth

Diatomaceous (Siliceous) Earth is made from the fossilized remains of tiny, aquatic organisms called diatoms. Their skeletons are made of a natural substance called silica. Various forms of silica include sand, emerald, quartz, feldspar, mica, clay, asbestos, and glass. Silicon, a component of silica, does not exist naturally in its

pure form. It usually reacts with oxygen and water to form silicon dioxide. Silicon dioxide has two naturally occurring forms: crystalline and amorphous. Most Diatomaceous (Siliceous) Earth is made of amorphous silicon dioxide. However, it can contain very low levels of crystalline silicon dioxide.

(a) **Applications:** Filter, Rubber, Detergent, Pesticides, Synthetics, Petroleum

(b) **Brand names**

(i) **VAPORMAT:** VAPORMAT –It is a multi-functional extender having specific porous micro-structure and medium particle size, which traps air voids acting as tiny deflecting mirror and aids light scattering for opacity and matting power advantage in solvent based paint formulations. It is used in rubber, synthetics, pesticides and petroleum products.

Recently, we have changed the brand name from VAPORMAT to HYPERMAT, as a policy decision. However, for existing customers, we will continue to use the current brand name of VAPORMAT.

(ii) **VAPORBLOCK:** VAPORBLOCK is an anti-block additive which reduces the tendency of thermoplastics film to adhere without affecting the critical properties of the film such as strength, clarity and low haze. VAPORBLOCK anti-block can also incorporated by polyolefins resin producers or plastic compounder into master batches of resin.

## (6) Calcium Oxide

The distinguishing feature of calcium oxide (also known as quicklime) is that it absorbs a much greater amount of water vapor at a very low relative humidity than other materials. Calcium Oxide Desiccant is most effective where low critical relative humidity is necessary, and where there is a high concentration of water vapor present.

(a) **Applications**

Calcium oxide is typically used in low pressure curing processes, such as those used to produce, automotive door seals and window seals. Similarly in some plastics, such as PVC, high processing temperatures can also result in blistering due to moisture. The same can be prevented by treatment of Calcium Oxide. Calcium oxide can be used in PVC-plastisols, for carpet-back layers, polysulfide- and silicone-compounds, and polyurethane-systems as well as for metal-pigment-colors containing solvents. The key benefits are:

- Improves productivity
- High moisture absorbency
- Enhance dispersion characteristics
- Better flow of host polymeric material
- Reduce blistering or bubbling or pin holes
- Space pigment / fillers in polymeric matrix
- Helps in low pressure curing in Cable industry
- Improve glossiness & reduce cracking problem due to moisture

(b) **Brand name**

**VAPOR OXOL 3F:** VAPOR OXOL-3F is a surface treated Calcium Oxide Powder for use as an effective desiccant (drying agent). VAPOR OXOL-3F is highly coated by a chemically indifferent Hydrocarbon which has reduced air pollution and prevents unwanted reaction with humidity. VAPOR OXOL-3F can be used as a desiccant in wide variety of plastic processing applications such as extrusion, injection moulding, blow moulding, calendering, rotomoulding and compression moulding and a 0.5% to 2.0% addition can provide eliminations of excessive moisture and improving the product quality and consistency. VAPOR OXOL-3F can be used in PVC plastisols for carpet back layers and silicone compounds and polyurethane system as well as for metal pigment colour containing solvents. VAPOR OXOL-3F fulfills the demanding requirements of high moisture absorbency, good dispersion and ease of handling.

## **(C) Soft Minerals (SM)**

### **(1) Mica**

The mica group of minerals is Alumino Silicates with various metals. They split into fine sheets putting them in the phyllosilicate group of silicate minerals. The condition of the formation of mica differs from place to place and therefore has numerous characteristics. Our company processes cosmetic grade Mica, which is produced as fine powders and used for various reflective color applications. Primarily for their use in cosmetics, mica powders are a common natural and chemical coloring ingredient. Mica powders are used in numerous industries as well as arts and crafts such as painting, soap making, scrap booking, embossing, sculpture, and many more. Our Company grinds and processes varying type of Mica for diversified uses as per our customer requirements.

### **(2) Talc**

Talc is a silicate mineral or a type of clay, which forms the base of many cosmetics. The platy crystalline structure of talc helps to impart a smooth feeling to liquid and powdered facial make up applications. It assists in adhesion of the liquid or the powder to the skin, improves coverage and helps to absorb unwanted skin oils. The smaller particle size talc can extend the more expensive white and color pigments and when used as a filler or solid dilutant, can help reduce costs. Typical uses include liquid foundations, concealers, blushes, foundations and rouges. Our Company grinds processes and varying type of Talc for diversified customer requirements.

### **(3) China Clay**

China Clay is a Hydrated Aluminium Silicate crystalline mineral formed by the hydrothermal decomposition of granite rocks. It finds application in paper, rubber, ceramics, paints, ink, cements and detergents. In the paint industry it is used as a filler and extender to provide opacity to the solution. Our company has mines of China Clay, wherein we mine China clay, as well as process and supply to our customers as per their requirements.

## **(D) Hard Minerals**

### **(1) Calcite**

Calcite, also known as calcium carbonate, is a carbonate mineral. Calcite, like most carbonates, will dissolve with most forms of acid. Although calcite is fairly insoluble in cold water, acidity can cause dissolution of calcite and release of carbon dioxide gas. Our Company processes and sells fine micron calcite for industrial applications as well as process the wet form of Calcite, also known as Slurry, and supplies to our customers.

### **(2) Dolomite**

Dolomite is a carbonate mineral composed of calcium magnesium carbonate. Dolomite is a double carbonate, having an alternating structural arrangement of calcium and magnesium ions. It does not rapidly dissolve or effervesce in dilute hydrochloric acid as Calcite. Our Company processes and sells Dolomite to our customers.

### **(3) Silica**

Silicon dioxide, also known as silica is an oxide of silicon, most commonly found in nature as quartz and in various living organisms. Silica is the major constituent of sand. Silica is one of the most complex and most abundant families of materials, existing as a compound of several minerals and as synthetic product. Notable examples include fused quartz, fumed silica, silica gel, and aerogels. It is used in structural materials, microelectronics, and as components in the food and pharmaceutical industries. Our Company processes and sells Silica and also uses Silica to form other product derivatives of Silica, for diversified customer applications.

*(Source: Product catalogue of our Company titled "Technical Information")*

## **Key manufacturing resources**

### **Raw Materials**

Our indigenous raw materials are procured by us from our suppliers across India and our imported raw materials are procured by us from our suppliers in China. We are not dependent on any single supplier for our products.

## Infrastructure & Utilities

The requisite plant and machinery for processing our products as well as the infrastructure facilities such as computer systems, internet connectivity, other communication equipment, security equipment, fire safety and other necessary ancillary equipment are adequately installed at our Existing Facilities. We propose to procure requisite plant and machinery and install the required infrastructure facilities, for our Proposed Facility. For further details, kindly refer the chapter titled “*Objects of the Issue*” beginning on page 75 of this DRHP.

## Water

The total water requirement is around 3,000 kiloliter at Unit 1 and Unit 2, which is arranged from GIDC Waghodia while the water requirement is around 3,600 kiloliter at Unit 3, which is arranged from boring water. The present requirement of 3,000 kiloliter at Unit 1 & 2 would be sufficient for our Proposed Facility as well.

## Power

The power requirement at Unit 1 is 500 KVA and the power requirement at Unit 2 is 91 KVA, which is arranged from Madhya Gujarat Vij Nigam Limited. The power requirement at Unit 3 is 400 KVA, which is arranged from Tamilnadu Generation & Distribution Corporation Limited (Tirunelveli Circle). We require power of 500 KVA at the Proposed Facility, which we plan to procure for Madhya Gujarat Vij Nigam Limited.

## R&D Center

Our Company has a modern, well-equipped R & D facility that continuously carries out product as well as process development activities for enhancing the product quality and improving the process efficiencies.

## Connectivity

Our Manufacturing facilities as well as our mines are well connected to state highways and national highways.

## Collaborations / Tie-ups / Joint Ventures

As on date of this DRHP, we do not have any Collaboration / Tie Ups / Joint Ventures for our current activities.

## Other key resources

### Human resources

The Company continues its focus on attracting and retaining the best talent available. Specific participation and interactions by the employees have helped the Company to maintain and enhance their skills and capabilities at all levels. We believe that our employees are a key contributor to our success. We focus on the skills of our employees and ensure that regular training is provided to them. As at September 30, 2017, we had 110 permanent employees on our rolls. For the Proposed Facility, our Company proposes to employ around 30 employees including administrative staff, skilled, semi-skilled and unskilled workers. We shall use the skill base of our current employees, to provide the required support for our new employees, in our Proposed Facility.

### Intellectual Property

We have applied for registration of our corporate logo on September 12, 2017 with the Trademark Registry. As on the date of this DRHP, our Company owns the following trademarks.

Trademark	Class	Application Number	Current Status
RIO-BENT LABEL	1	2050225	Renewal Due On 04/11/2020
VAPORSIL LABEL	1	2050226	Renewal Due On 04/11/2020
VAPORGEL LABEL	1	2050227	Renewal Due On 04/11/2020
VAPOURLINK	1	2081084	Renewal Due On 05/01/2021
HYDROXYLGEL	1	2210481	Renewal Due On 23/09/2021

## Property

Location	Property	Status	Purpose
Plot 9 - 10, GIDC Waghodia, Vadodara, Gujarat	Freehold Land	Owned	Registered Office / Manufacturing
Plot 11, GIDC Waghodia, Vadodara, Gujarat	Freehold Land	Owned	R&D Center
Plot 336, GIDC Waghodia, Vadodara, Gujarat	Freehold Land	Owned	Proposed Facility
Survey 108/1, Tirunelveli, Tamil Nadu	Freehold Land	Owned	Not Applicable
Plot 347, GIDC Waghodia, Vadodara, Gujarat	Factory	Leased	Manufacturing
Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu	Factory	Leased	Manufacturing
Plot 103, GIDC Estate Bhuj, Gujarat	Godown	Leased	Trading
Plot 233/234, Madri, Udaipur, Rajasthan	Office	Leased	Office
Plot 157, Village Mamura Bhuj, Gujarat	Office	Leased	Office
Survey 682, Village Nadappa, Bhuj, Gujarat	Mines	Leased	Mining

## Insurance

Our operations are subject to inherent hazards such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment. We are insured for a variety of risks through “standard fire and special perils policy” which covers plant & machinery, furniture’s & fixtures, stock in progress and finished goods. As on the date of this DRHP, our Company has taken a risk cover amounting to ₹ 3,091.98 Lakh, covering the above mentioned risks.

## Key marketing arrangements

### Sales and Marketing

Our Company’s products are sold domestically as well as internationally. In the domestic market our Company sells products directly to customers and also to independent dealers & distributors of our Corporate Promoter, throughout the country. We have entered into marketing arrangement with our Corporate Promoter for selling our products and using the trade name “20 Microns”, for which we pay 2% of our revenue from operations as royalty. We have entered the international market in the last few years, which we believe has good demand, due to limited supply by international manufacturers. We attempt to bridge this demand and supply gap by offering similar products at competitive prices. Some of our products are import substitutes having good domestic demand. With the proposed capacity expansion and increase in product portfolio, we plan to expand our market.

### Customers

Our key customers are spread across various industries such as paints & coatings, printing inks, plastics & polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical & pharmaceuticals, textile, oil-well drilling, filtration and others. In FY 2015, FY 2016 and FY 2017, our top 10 customers have accounted for around 59%, 57%, and 59%, respectively, of our revenue from operations. While our top 10 customers are not necessarily the same every year, the top 10 customers have continued to contribute a significant portion of our revenues from operations, in the past years. In FY 2015, FY 2016 and FY 2017, our largest customer has accounted for around 17%, 14%, and 11%, respectively, of our revenue from operations.

### Competition

The Company possesses a diverse portfolio of products which has competition for different products. In the Functional Additives segment, there is less domestic competition. In the Chemically Modified Minerals segment, there is high international competition. In the Soft Minerals segment & the Hard Minerals segment, we continue to compete with a few domestic and international players, depending on the end product application.

### Exports

For the past five years, we have achieved exports of ₹ 1068.18 Lakh, wherein we have exported to Nigeria, Saudi Arabia & Sri Lanka. Currently, we have an export obligation by EPCG of ₹ 195.49 Lakh out of which ₹ 14.04 Lakh is utilized against exports till September 30, 2017. This EPCG license is valid till October 06, 2021.



## KEY INDUSTRY REGULATIONS AND POLICIES

*In carrying on our business as described in the section titled "Our Business" on page 112 of this DRHP, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The description of regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements 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. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled "Government and Other Key Approvals" beginning on page 253 of this DRHP.*

### A. ENVIRONMENTAL REGULATIONS

Our Company is also required to obtain clearances under the Environment (Protection) Act, 1986, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing its operations. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval of an environmental impact assessment ("EIA") report and an environment management plan ("EMP").

Our Company must also comply at all times with the provisions of The Hazardous Waste (Management and Handling) Rules, 1989, as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

#### **Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

#### **Water**

Legislations to control water pollution are listed below:

The ***Water (Prevention and Control of Pollution) Act, 1974*** prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

The ***Water (Prevention and Control of Pollution) Cess Act, 1977*** provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

#### **Air**

Legislations to control air pollution are listed below:

The ***Air (Prevention and Control of Pollution) Act, 1981*** requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

## **Hazardous Wastes**

There are several legislations that directly or indirectly deal with hazardous wastes. The relevant legislations are:

- The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Public Liability Insurance Act, 1991
- The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

### **Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended**

These rules require that the occupier and the operator of the facility, that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Schedule I of the said Rules lists out the primary and secondary production of aluminum as a process that generates hazardous waste and therefore requires compliance under these Rules.

## **B. LABOUR LAWS**

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

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

The following are the rules which are applicable to the Company:

- *Tamil Nadu Factories Rules, 1950*
- *Gujarat Factories Rules, 1963*

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

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

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

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of 'five year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days' wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of ₹ 10,00,000/- for an employee.

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

The Minimum Wages Act, 1948 ("MWA Act") was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

The following are the rules which are applicable to the Company:

- *The Minimum Wages (Tamil Nadu) Rules 1953*
- *Andhra Pradesh Minimum Wages Rules, 1960*
- *Gujarat Minimum Wages Rules 1961*

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

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto six months or a fine up to ₹ 1,000/- or both.

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

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

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

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

#### **Equal Remuneration Act, 1979**

Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

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

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

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

The Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act") seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act. A shop or a commercial establishment is included under the definition of an "establishment" according to Section 2(iv).

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

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that

the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

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

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

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

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

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

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

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

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

## **C. TAX RELATED REGULATIONS**

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

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority. The Tamil Nadu Tax on Professions, Trades, Callings And Employments Act, 1992, Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 and the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings And Employments Act, 1976 are applicable to the Company.

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

The Central Goods and Services Tax Act, 2017 (“CGST Act”) regulates the levy and collection of tax on the intra- State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

Under GST, SGST is a tax levied on Intra State supplies of both goods and services by the State Government and will be governed by the SGST Act. CGST will also be levied on the same Intra State supply but will be governed by the Central Government. The Tamil Nadu Goods and Services Tax Act, 2017, Rajasthan Goods and Services Tax Act, 2017, Andhra Pradesh Goods and Services Tax Act, 2017 and the Gujarat Goods and Services Tax Act, 2017 are applicable to the company.

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

Integrated Goods and Services Tax Act, 2017 (“IGST Act”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

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

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

## **D. INDUSTRY-SPECIFIC REGULATIONS**

### **Mines and Minerals (Development and Regulation) Act, 1957**

The Mines and Minerals (Development and Regulation) Act, 1957 (“the MMDR Act”) regulates the mining sector in India and specifies the requirement for obtaining and granting leases for mining operations. The MMDR Act allows for the transfer of mining leases which have been granted through an auction process to any eligible person, with the approval of the state government, and as specified by the central government. The MMDR Act also allows for the transfer of mining leases which have been granted through procedures other than auction, and where the minerals are used for captive purpose. It also allow for merger and acquisition of companies with captive mining leases.

### **Mineral Concession Rules, 1960**

The Mineral Concession Rules, 1960 lay down the procedure for obtaining a reconnaissance permit, a prospecting license or a mining lease and the terms on which and the conditions subject to which, such a permit, license or lease may be granted or renewed. It mandates holders of reconnaissance permits or prospecting licences or owners of mines to submit the reports and statements and the authority to which such reports and statements shall be submitted. It also lays down the manner of computation of royalty separately in respect of land in which the minerals vest with the Government and land in which the minerals vest in a person other than the Government. It further states the method the fixing and collection of fees for reconnaissance permits, prospecting licenses or mining leases, surface rent, security deposit, fines, other fees or charges and the time within which and the manner in which the dead rent or royalty shall be payable.

The following are the rules which are applicable to the Company:

- *Gujarat Minor Minerals Concession Rules, 2017*
- *Andhra Pradesh Minor Mineral Concession Rules, 1966*

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

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

Additionally, the L.M. Act provides for the following penalties in case of contravention of certain provisions thereof:

1. Penalty for use of weight, measure or numeration in contravention of the L.M. Act;
2. Penalty for alteration or tampering with the weight or measure;
3. Penalty for making a transaction, deal or contract in contravention of the L.M. Act.

Penalty for the buyer (buying in excess of the quantity specified, or price paid for) and seller (selling less the quantity specified, or price paid for).

## **E. OTHER REGULATIONS**

### **Transfer of Property Act, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“T.P. Act.”). The T.P. Act

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

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

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

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

### **The Registration Act, 1908**

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

### **The Indian Stamp Act, 1899**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("Stamp Act") which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state. The Gujarat Stamp Act, 1958 is applicable to the Company.

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

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

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

The Specific Relief Act, 1963 (“Specific Relief Act”) 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 Specific Relief 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.

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

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer’s disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers.

To provide steady and simple redressal to consumers’ disputes, a quasi-judicial machinery is sought to be set up at the district, state and central levels. The quasi-judicial bodies will observe the principles of natural justices and have been empowered to give relieves of a specific nature and to award wherever appropriate compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

### **Competition Act, 2002**

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

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

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

The Companies Act, 1956 is applicable to our Company to the extent the same has not been repealed and to the extent of acts, things or omission performed, done or made thereunder.

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

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act, 2013 deals with incorporation of companies and the procedure for incorporation and further steps thereafter. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Companies Act, 2013. The provision of Companies Act, 2013 shall apply to all the companies incorporated either under this act or under any other previous company law enactment. 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.



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

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

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

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

### **REGULATIONS REGARDING FOREIGN INVESTMENT**

#### **Foreign Exchange Management Act, 1999 (“the FEMA”)**

Foreign investment in companies in the pharmaceutical sector is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“DIPP”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment (“FDI Policy”), with effect from August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017.

In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. In terms of the FDI Policy issued by the DIPP, foreign investment is permitted up to 100% through the government route in the sector in which the Company operates. No approvals of the Administrative Ministries/Departments or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue. The Indian company making such Issue of shares would be subject to the

reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

## HISTORY AND CORPORATE STRUCTURE

### Brief history of our Company

#### Incorporation

Our Company was originally incorporated as “*Speciality Minerals Private Limited*” with the object to carry on the business of dealing in all types of minerals on October 28, 1993 under the Companies Act, 1956 in the state of Gujarat vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

#### Conversion into a public company

Our Company became a deemed public company within the meaning of section 43A of the Companies Act, 1956 on October 25, 1999 pursuant to allotment of equity shares to 20 Microns Finance and Investment Limited (presently known as *Eriez Industries Private Limited*) and was, pursuant to special resolution passed by the members at the EGM held on February 27, 2001, converted into a public limited company vide Fresh Certificate of Incorporation consequent upon conversion to public limited company dated August 30, 2001 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

#### Change in the name of our Company

Our Company was incorporated with the name “*Speciality Minerals Private Limited*” which was changed to “*Speciality Minerals Limited*” consequent to conversion of our Company into a public limited company vide Fresh Certificate of Incorporation consequent upon conversion to public limited company dated August 30, 2001 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, the name of our Company was changed to “*20 Microns Nano Minerals Limited*” vide Fresh Certificate of Incorporation pursuant to change of name dated November 12, 2008 issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

#### Change in address of Registered Office of our Company

At the time of incorporation, the registered office of our Company was located at 19/114, Ellora Park, Race Course, Baroda, Gujarat. Thereafter, the registered office of our Company shifted to the following addresses:

Date	Address of registered office	Reason for change
August 16, 1994	9 -10, GIDC Industrial Estate Waghodia, Dist. Vadodara - 391760, Gujarat, India	Facilitating business & operations
October 23, 2008	Plot No. 157, Village: Mamuara, Bhuj – 370 001, Dist. Kutch, Gujarat, India*	For effective and efficient operation of business activities
July 31, 2017	9 -10, GIDC Industrial Estate Waghodia. Dist. Vadodara – 391 760, Gujarat, India	For ease of administration

\*on February 11, 2015, the board has passed a resolution to correct the address of registered office by changing pin code to 370 020 and a rectified form was filed to correct the pin code.

#### Main Objects of our Company

The main object of our Company as per Clause III (A) of Memorandum of Association is -

- 1a). To purchase, take on lease or otherwise acquire mining works, mining grounds, mining rights, mines, ponds, plots, of land in India or elsewhere, believed of certain various types of minerals whether natural or otherwise.
- 1b). To pulverize, refine, classify, calcine, coat various chemicals, minerals either singly or in combination for its use by any industry.
- 1c). To, manufacture, produce, upgrade, mix, extract, covert, pulverize, refine, process, Import, export, buy, sell, and to act as wholesaler5s, retailers, commission agents, brokers, distributors, factors and dealers in all types of minerals whether natural, synthetic of otherwise either in lump, slurry powder form or in any other form.
- 1d). To carry on business of manufacture , producers , refiners, processors, importers, exporters wholesalers, retailers, commission agents , brokers, distributors , factors and dealers in all types of plastics and its raw materials like plasticizers, lubricants, stabilizers and waxes.

- 1e). To carry on business of manufacture, buyers , sellers, importers , exporters , and dealers in all kind of paints, pigments, varnishes dye-stuff, and all kind of products and byproducts arising therefrom or in connection therewith and all implements, materials and things incidental to , or useful in connection with, any such business.
- 1f). To carry on the business as manufacture, buyers, sellers, distributors, agents stockiest , refiners , importers and exporters of and dealers in detergents washing powders and soaps.
- 1g). To carry on business of manufacture of and dealers in papers and its raw materials.
- 1h). To carry on business , either on its own account or an accounts of constituents of buyers, sellers, importers, and exporters of and dealers in cements, silica, buildings materials.
2. To carry on the business as manufacture, traders, importers, exporters, agents, for dealers in all types of minerals and to mine, pulverize, refine, classify, coat, buy, sell, upgrade in lump of powder form any type of minerals, to produce similar powder by nature or synthetic process yielding carbonate, calcium silicate, aluminum silicate, magnesium silicate precipitated silica, iron oxide and to process for upgrading such powders individually or in mined for production of acclaimed china clay, clavinet alumina, refractory products, such as magnetite and similar material, coat such minerals, powders produced naturally or by synthetic process with various chemicals life fatty acids, titanates, silicones for yielding better performance of canal products wherein such coated powders are used and purchased.

#### Amendments to the MOA of our Company since incorporation

Sr. No.	Date of approval of amendment by shareholders	Clause Amended	Nature of amendment
1	February 27, 2001	Clause I Name Clause	The name of our Company changed from “ <i>Speciality Minerals Private Limited</i> ” to “ <i>Speciality Minerals Limited</i> ” consequent to conversion of our Company into a public limited company.
2	September 18, 2006	Clause III Object Clause	Addition of new objects in the main object of the Company
3	March 21, 2008	Clause V Capital Clause	Authorized share capital increased from ₹ 10,00,000 divided into 1,00,000 Equity Shares of ₹ 10/- each to ₹ 2,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10/- each and 10,00,000 14% cumulative redeemable convertible preference shares of ₹ 10/- each.
4	October 23, 2008	Clause V Capital Clause	Authorized share capital reclassified from ₹ 2,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10/- each and 10,00,000 14% cumulative redeemable convertible preference shares of ₹ 10/- each to ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10/- each.
5	November 10, 2008	Clause I Name Clause	The name of our Company changed from “ <i>Speciality Minerals Limited</i> ” to “ <i>20 Microns Nano Minerals Limited</i> ”.
6	September 29, 2009	Clause V Capital Clause	Authorized share capital increased from ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10/- each.
7	July 07, 2017	Clause V Capital Clause	Authorized share capital increased from ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10/- each to ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10/- each.

## Major Events in our Company

The timelines of the major events in the history of our Company are set forth hereunder:

Year of Event	Particulars
1993	Incorporation of our Company with the name “ <i>Speciality Minerals Private Limited</i> ”
1996	Our Company acquired mining lease for china clay in the village Nadapa, Bhuj for a period of 30 years from May 25, 1982
1999	Our Company became a deemed public company within the meaning of the Companies Act, 1956
2000	Our Company became subsidiary of 20 Microns Limited
2001	Our Company was converted into a public limited company and name of our Company changed to “ <i>Speciality Minerals Limited</i> ”
2007	Our Company ceased to be subsidiary of 20 Microns Limited
2007	Our Company received renewed mining lease for china clay in the village Nadapa, Bhuj for a period of 20 years from May 25, 2002
2008	The name of our Company changed from “ <i>Speciality Minerals Limited</i> ” to “ <i>20 Microns Nano Minerals Limited</i> ”
2010	Our Company acquired leasehold rights in the immovable properties situated at plot nos. 9, 10, 11 & 336 at GIDC Industrial Estate, Waghodia, Vadodara.
2010	Our Company became subsidiary of 20 Microns Limited
2015	Our Company received ISO 9001:2008 – Quality Management System certification.
2016	Our Company’s R & D unit located at plot no. 11, GIDC Industrial Estate, Waghodia, Vadodara got recognition of DSIR as an in-house R & D unit.

## Awards, Achievement, Recognition and Certification

Year	Details
2015	ISO 9001:2008 – Quality Management System certification for manufacture & supply of natural mineral products & additives

## Other details regarding our Company

For details regarding the description of our Company’s profile, activities, marketing, products, facility creation, location of plants, exports due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, kindly refer the chapters titled “*Our Business*”, “*Financial Statements*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Government and other Approvals*” beginning on pages 112, 168, 228 and 253 respectively of this DRHP.

## Number of Shareholders

As on the date of this DRHP, our Company has 23 equity shareholders.

## Lock-out, Strikes and Labour Unrest

There have been no lock-outs, strikes or labour unrest since the incorporation of our Company.

## Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in relation to our projects.

## Changes in activities of our Company during last five years

There has been no material change in the activities our Company during last five years, prior to the date of filing of this DRHP which may have a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

### **Raising of capital in form of equity or debt**

For details relating to capital raising through equity and debt, kindly refer the chapters titled “*Capital Structure*” and “*Financial Indebtedness*” beginning on pages 63 and 238 respectively of this DRHP.

### **Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks**

There are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

### **Injunctions or restraining order against our Company**

As of the date of this DRHP, there are no injunctions or restraining orders against our Company.

### **Revaluation of assets**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares by capitalizing any revaluation reserves.

### **Our Holding Company**

As on the date of this DRHP, 20 Microns Limited is holding company of our Company, the brief details of which are set forth below:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1	<b>Name</b>	20 Microns Limited
2	<b>Address of Registered office</b>	9-10, GIDC Industrial Estate, Waghodia, Baroda – 391 760, Gujarat, India
3	<b>CIN</b>	L99999GJ1987PLC009768
4	<b>Date of Incorporation</b>	June 29, 1987
5	<b>Nature of Business</b>	Production & selling of white minerals
6	<b>Date of becoming subsidiary</b>	February 03, 2010
7	<b>No. of shares held in our Company</b>	87,20,000 Equity Shares constituting 97.21% of the paid up equity share capital of our Company

For further details, kindly refer the chapter titled “*Our Promoters and Promoter Group*” beginning on page 155 of this DRHP.

### **Our Subsidiary Company**

As on the date of this DRHP, our Company does not have any subsidiary company.

### **Mergers, Amalgamation and Acquisition**

There has been no merger or amalgamation or acquisition of business or undertakings in the history of our Company.

### **Shareholders Agreements**

As on the date of this DRHP, Our Company is not party to any shareholders’ agreement nor is aware of existence of any such agreement.

### **Other Agreements**

Our Company has not entered into any agreements/arrangements otherwise than in the normal course of business of our Company or at any time during two years preceding the date of this DRHP.

### **Strategic and Financial Partners**

Our Company does not have any strategic and financial partner(s) as on the date of this DRHP.

## OUR MANAGEMENT

### Board of Directors

In terms of Article 149 of the AOA, our Company is required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors.

Currently, our Company has 6 (six) Directors on the Board out of which 2 (Two) are Independent Directors (including one woman Director). The composition of the Board of Directors is governed by the provisions of the Companies Act. The following table sets forth details regarding our Board as on the date of this DRHP:

Sr. No.	Name, Address, Designation, DIN, Occupation, Term and Nationality	Age	Other Directorship
1	<b>Name:</b> Mr. Chandresh Shantilal Parikh <b>Address:</b> 604-B, Bhadrlok, O. P. Road, Vadodara – 390007, Gujarat, India. <b>Designation:</b> Director <b>DIN:</b> 00041584 <b>Occupation:</b> Business <b>Term:</b> Liable to Retire by Rotation <b>Nationality:</b> Indian	72	1. 20 Microns Limited 2. Silicate Minerals (I) Private Limited
2	<b>Name:</b> Mr. Atil Chandresh Parikh <b>Address:</b> 66, Atmajyoti Nagar, Ellorapark, Race Course, Vadodara – 390 007, Gujarat, India. <b>Designation:</b> CEO & Managing Director <b>DIN</b> –00041712 <b>Occupation:</b> Business <b>Term:</b> Till March 31, 2020 and liable to retirement by rotation <b>Nationality:</b> Indian	40	1. 20 Microns Limited 2. Silicate Minerals (I) Private Limited 3. 20 Microns SDN. BHD.
3	<b>Name:</b> Mr. Rajesh Chandresh Parikh <b>Address:</b> 604-B, Bhadrlok Appartment, Near Tube Company Old Padra Road, Vadodara – 390 015, Gujarat, India. <b>Designation:</b> Director <b>DIN:</b> 00041610 <b>Occupation:</b> Business <b>Term:</b> Liable to Retire by Rotation <b>Nationality:</b> Indian	46	1. 20 Microns Limited 2. Silicate Minerals (I) Private Limited 3. 20 Microns SDN. BHD.
4	<b>Name:</b> Mr. Sudhir Rameshkant Parikh <b>Address:</b> 55, Shivashray Society, Near Raneshwar Mahadev Temple, Vasna Road, Vadodara – 390 007 Gujarat, India. <b>Designation:</b> Director	64	-

Sr. No.	Name, Address, Designation, DIN, Occupation, Term and Nationality	Age	Other Directorship
	<b>DIN:</b> 00041649		
	<b>Occupation:</b> Professional		
	<b>Term:</b> Liable to Retire by Rotation		
	<b>Nationality:</b> Indian		
5	<b>Name:</b> Ms. Darsha Rajesh Kikani  <b>Address:</b> 10, Sanjay Park, B/h. Sundarvan, Satellite Road, Ahmedabad – 380 015, Gujarat, India.  <b>Designation:</b> Independent Director  <b>DIN</b> –00155791  <b>Occupation:</b> Professional  <b>Term:</b> For a period of five years up to the AGM of the Company to be held in the Calendar Year 2022.  <b>Nationality:</b> Indian	60	1. Ice Make Refrigeration Limited 2. Marudhar Industries Limited 3. Khushali Consultants Private Limited
6	<b>Name:</b> Mr. Ramkisan Amirchand Devidayal  <b>Address:</b> Flat 17, Sakseria Building, 74 Marine Drive, Mumbai – 400 020, Maharashtra, India  <b>Designation:</b> Independent Director  <b>DIN</b> – 00238853  <b>Occupation:</b> Professional  <b>Terms:</b> For a period of five years w.e.f. April 01, 2014  <b>Nationality:</b> Indian	67	1. Munjal Auto Industries Limited 2. Banco Products (India) Limited 3. 20 Microns Limited 4. Gujarat Metal Cast Industries Limited 5. Devidayal Electromet Limited 6. Ritika Investment Company 7. ACL Mobile Limited

#### Brief Profile of our Directors

**Mr. Chandresh S. Parikh**, the Chairman & Non-Executive Director of our Company, has been associated with our Company since incorporation. He holds a Degree in Master of Science (Chemistry). He has played a very important role in the growth of the Company and has approximately 35 years of experience, in India and abroad, in various fields such as product development & commercialization of products developed through R & D. He started his career as R&D Chemist in the year 1968 with Suhrid Geigy Limited, Vadodara till 1972. Thereafter he joined in as a Chief Chemist with General Foam Products, Mombassa, Kenya. He came to India for the formation of 20 Microns Private Limited in (now 20 Microns Limited) 1987 and started commercial production from 1988. He is also chairman of 20 Microns Limited, the Corporate Promoter and the Holding Company of our Company.

He was on the board of Ascom Carbonate and Chemicals Manufacturing Private Limited till February, 2008, Microns Logistics Private Limited till June, 2011, Bruno Industrial Products Private limited till March, 2014, DMC Private Limited till December, 2014 and Eriez Industries Private Limited till December, 2014.

**Mr. Atil C. Parikh**, the CEO & Managing Director and Promoter of our Company, holds a degree of Bachelor of Engineering (Chemical) from Gujarat University. He began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California State University, Long Beach. In the year 2009, he re-joined 20 Microns Limited as Management Analyst. He contributed in developing certain strategies and revamping few departments within



the organization. He is Managing Director of 20 Microns Limited, the Corporate Promoter and Holding Company of our Company.

He was on the board of DMC Private Limited till October, 2007, Ascom Carbonate and Chemicals Manufacturing Private Limited till February, 2008, and Bruno Industrial Products Private limited till March, 2014.

**Mr. Rajesh C. Parikh**, the Director & Promoter of our Company, has graduated with First Class Degree in Bachelor of Mechanical Engineering. He has also completed the Masters in Business Administration in Finance Stream. and has been associated with our Company since 2009. He started his career with Jyoti Limited, a Vadodara based Engineering Company, in the year 1993 as a Trainee Engineer and was associated with them till September, 1994. Subsequently, he joined the Board of 20 Microns Limited and was in charge of Technical matters & Marketing of the product of the Company. He is CEO & Managing Director of 20 Microns Limited, the Corporate Promoter and Holding Company of our Company.

He was on the board of Ascom Carbonate and Chemicals Manufacturing Private Limited till February, 2008, Bruno Industrial Products Private limited till March, 2014, Aric Infracon Private Limited till March, 2014, Microns Logistics Private Limited till March, 2014, Eriez Industries Private Limited till December, 2014 and DMC Private Limited till December, 2014.

**Mr. Sudhir R. Parikh**, the Director of our Company, holds a degree of Bachelor of Commerce from Saurashtra University and is a fellow member of the Institute of Chartered Accountants of India. Early in his career, he held a senior executive position as Manager Accounts in Asian Dehydrates Limited in the year 1977, Nasik. He then joined as a Chief Accountant in M. H. Spinning & Mfg Co. Ltd., Ahmedabad in the year 1978 till the year 1981. He was also an Executive Director in Banco Products (T) Ltd., and a Director in United Foam Private Limited, Waghodia. He has gathered vast experience in Accounting, Finance, Taxation and Management. He was looking after the Accounts, Finance, Banking and Administration of 20 Microns Ltd.

He was on the board of DMC Private Limited till March, 2010, Microns Logistics Private Limited till June, 2011, Ascom Carbonate and Chemicals Manufacturing Private Limited till March, 2014, Bruno Industrial Products Private limited till March, 2014, Eriez Industries Private Limited till December, 2014 and 20 Microns Limited till May, 2017.

**Ms. Darsha R. Kikani**, the Independent Director of our Company, is a member of Institute of Chartered Secretaries and Administrators, UK and Fellow Member of Institute of Company Secretaries of India. She holds Master Degree of Business Administration with specialization in Marketing, Bachelor Degree of Science and Post Graduate Diploma in Management for Executives from the Indian Institute of Management, Ahmedabad. She has approximately 15 years of working experience with various client companies in different industrial segments.

She was on the board of 20 Microns Limited till May, 2017.

**Mr. Ramkisan A. Devidayal** is the Independent Director of our Company. He has experience in the fields of Agrochemicals Industry Companies with which he has been associated as Director.

He was on the board of Devidayal Holdings Limited till December, 2011, Arysta Lifescience India Limited till December, 2011, Highland Farms Private Limited till December, 2011 and Gujarat Automotive Gears Limited till August, 2014. Currently he holds directorships in 20 Microns Limited, Banco Products (India) Limited, Gujarat Metal Cast Industries Limited, Munjal Auto Industries Limited, Devidayal Electromet Limited, and Ritika Investment Company.

### **Relationship between Directors**

Mr. Rajesh C. Parikh and Mr. Atil C. Parikh are Brothers and are sons of Mr. Chandresh S. Parikh. Except for them, none of the directors of the Company are related to each other within the meaning of sub-section (77) of section 2 of the Companies Act, 2013.

### **Borrowing powers of our Board**

In terms of Article 99 of AOA, subject to the provisions of the Act and AOA, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or

borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.

Pursuant to a special resolution passed at the Annual General Meeting of our Company held on September 11, 2014, consent of the members of our Company was accorded to the Board of our Company in terms of provisions of Section 180(1)(c) of the Companies Act, 2013 to *inter-alia* borrow monies for the purpose of business of the Company from any bank, financial institution or any person, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies to be borrowed and the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time exceed the aggregate of the paid up-capital of the Company and its free reserves, i.e., reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings at any one time shall not exceed, in aggregate, ₹ 5,000 Lakh.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others**

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of the senior management.

#### **Service Contract(s) with our Directors**

Our Company has entered into an agreement with Mr. Atil C. Parikh, CEO and Managing Director of our Company dated July 07, 2017 ("**MD Agreement**") which contains the terms and conditions including remuneration of Managing Director. The said agreements, except for payment of compensation for loss of office in accordance with and subject to provisions of section 191 and section 202 of the Companies Act, 2013 on determination of office before the expiry of term, do not provide for any benefits upon termination of employment.

Except as mentioned above, our Company has not entered into any service contract(s) with our Directors.

#### **Compensation of Managing Director**

The terms of appointment of Mr. Atil C. Parikh, the CEO & Managing Director of our Company including remuneration payable to him is set out in MD Agreement dated July 07, 2017, the salient feature of which is set forth below:

<b>Particulars</b>	<b>Details</b>
<b>Designation</b>	CEO & Managing Director
<b>Term</b>	Till March 31, 2020 and liable to retire by rotation
<b>Remuneration &amp; Allowances</b>	Basic Salary: ₹ 7,53,000 p.a.
	House Rent Allowance (15% of Basic Salary) : ₹ 1,12,950
	Medical Allowance (4.6% of Basic Salary): ₹ 34,638
<b>Perquisites</b>	In addition to the Remuneration, MD is entitled to following perquisite:
	a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
	b. gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
	c. encashment of leave at the end of tenure, if applicable;
	d. The company's car and all expenses for maintenance of the same. Salary of the driver, if decided.
	e. Other benefits as are available to other employees of the Company as per the Company's rule.
<b>Annual Increment</b>	Up to 25% of the basic salary w.e.f. April 01, 2018 as may be decided by Nomination & Remuneration Committee and the Board.
<b>Commission</b>	0.70% of net profit of the Company subject to overall ceiling laid down in section 197 and Schedule V of the Companies Act, 2013.
<b>Remuneration in case of absence of or inadequacy of profits</b>	In case of absence of or inadequacy of profits, the abovementioned salary and perquisites may be paid as minimum remuneration.

The abovementioned remuneration and perquisites are subject to the ceiling laid down in Section 197, Schedule V and all other applicable provisions of the Companies Act. In case of payment of remuneration in excess of the prescribed limits, the excess remuneration is required to be refunded to the Company and the same can be recovered from the remuneration payable to him in the next following month/year.

### Remuneration of our Directors

The details of remuneration paid to our Directors during the financial year 2016-17 are set forth below:

Sr. No.	Name of Director	Component of Remuneration (in ₹)			
		Gross Salary	Sitting Fees	Commission	Total
1	Mr. Chandresh S. Parikh	-	-	-	-
2	Mr. Atil C. Parikh	-	-	-	-
3	Mr. Rajesh C. Parikh	-	-	-	-
4	Mr. Sudhir R. Parikh	-	1,00,000	-	1,00,000
5	Ms. Darsha R. Kikani*	N.A.	N.A.	N.A.	N.A.
6	Mr. Ramkisan A. Devidayal	-	1,30,000	-	1,30,000
<b>Total Remuneration</b>		<b>-</b>	<b>2,30,000</b>		<b>2,30,000</b>

\*She has been appointed post completion of FY 2016-17 and has therefore, not received any compensation for the Financial Year 2016-17.

No benefits in kind have been granted to our Directors during previous financial year.

### Bonus or profit sharing plans for our Directors

Except Mr. Atil C. Parikh, who is entitled to commission of 0.70% of net profit of the Company, none of our other Directors is a party to any bonus or profit sharing plan of our Company.

### Shareholding of our Directors

Except for the following directors, no other Directors hold any shares in our Company:

Sr. No.	Name of Director	No. of Equity Shares held	% of pre-Issue shareholding
1	Mr. Chandresh S. Parikh	2,00,010 <sup>(1)</sup>	2.23
2	Mr. Atil C. Parikh	28,250 <sup>(2)</sup>	0.31
3	Mr. Rajesh C. Parikh	10 <sup>(2)</sup>	0.00
4	Mr. Sudhir R. Parikh	10 <sup>(3)</sup>	0.00
<b>Total</b>		<b>2,28,280</b>	<b>2.54</b>

<sup>(1)</sup> 2,00,000 Equity Shares are jointly with Ms. Ilaben C. Parikh.

<sup>(2)</sup> Jointly with Ms. Ilaben C. Parikh.

<sup>(3)</sup> Jointly with Ms. Dharmistha S. Parikh

As per AOA, our Directors are not required to hold any qualification shares in our Company.

### Appointment of relatives of Directors to any office or place of profit

Except as stated above, none of the relatives of any of our Directors currently hold any office or place of profit in our Company.

### Loans to our Directors

None of our Directors have availed any loans as on the date of this DRHP.

### Other Confirmations

1. None of our Directors are on the RBI's list of willful defaulters as on the date of this DRHP.

2. Further, none of our Directors are or were directors of any listed company whose shares (a) have been or were suspended from trading on BSE Limited / National Stock Exchange of India Limited during the five years prior to the date of filing this DRHP or (b) delisted from the stock exchanges.
3. None of our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## **Interests of Directors**

### **Interest in promotion of our Company**

Mr. Chandresh S. Parikh, being subscribers to the Memorandum of Association of our Company, may be deemed to be interested in our Company to the extent of shares subscribed by him. Except for him, no other Directors of our Company are interested in the promotion of our Company.

### **Interest in the property acquired by our Company**

Except as disclosed in the chapter titled “*Our Promoters and Promoter Group*” beginning on page 155 of this DRHP, our Directors have no interest in any property acquired by our Company within two years of the date of this DRHP or proposed to be acquired by our Company.

### **Interest in the business of our Company**

Except as disclosed in the chapter titled “*Related Party Transaction*” beginning on page 166 of this DRHP and except to the extent of business transaction entered into or proposed to be entered into by our Company with any firm, LLP, company or body corporate with which they or any of them are associated as promoters, directors, partners or members, none of our Directors are interested in the business of our Company.

### **Interest in contract or arrangements**

Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh, being also executive directors on the board of 20 Microns Limited, our Corporate Promoter, may be deemed to be interested in the contracts, agreements or arrangements entered into or proposed to be entered into by our Company with 20 Microns Limited. For details of such contracts, agreements or arrangements, kindly refer the chapter titled “*Related Party Transactions*” beginning on page 166 of this DRHP.

### **Other interest of our Directors**

Our Directors may be deemed to be interested in our Company to the extent of remuneration and commission paid or payable to them in their capacity as Directors and sitting fees paid or payable to them for attending meetings of the Board or a committee thereof as per the terms of the Articles of our Company and relevant provisions of Companies Act.

Our Directors may also be deemed to be interested in our Company to the extent of the Equity Shares held by them and their relatives and also to the extent of any dividend and other distributions paid or payable to them in respect of the aforesaid Equity Shares. For details of Equity Shares held by our Directors, kindly refer the chapter titled “*Capital Structure*” beginning on page 63 of this DRHP.

Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh are also Promoters of our Company. For their interest as Promoters, kindly refer the chapter titled “*Our Promoters and Promoter Group*” beginning on page 155 of this DRHP.

### **Changes in Board of Directors during last three years**

The changes in the Board of Directors of our Company during last three years are as follows:

<b>Name of Director</b>	<b>Date of change</b>	<b>Nature of change</b>	<b>Reason</b>
Ms. Darsha R. Kikani	May 25, 2017	Appointment	Appointment as Additional (Independent) Director
Mr. Atil C. Parikh	July 07, 2017	Appointment	Appointment as Chief Executive

Name of Director	Date of change	Nature of change	Reason
Ms. Darsha R. Kikani	September 21, 2017	Appointment	Officer & Managing Director Appointment as Independent Director

### Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchange and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. The provisions of the Companies Act pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees will be applicable to our Company on listing on the Stock Exchange and our Company is, to the extent applicable, in compliance with such provisions.

Currently, our Board comprises 6 (Six) Directors of which 3 (Three) are Non-Executive Directors, 1 (One) is Executive Director and 2 (two) are Independent Directors including one woman Director. Our Chairman, Mr. Chandresh S. Parikh, is a Non-Executive Director.

### Committees of our Board

In compliance with the corporate governance norms, our Company has constituted the following committees:

- A) Audit Committee;
- B) Nomination and Remuneration Committee;
- C) Stakeholders Relationship & Share Transfer Committee.

#### A) Audit Committee

Our Company has constituted an audit committee (“**Audit Committee**”) vide board resolution dated November 11, 2010 in terms section 292A of the Companies Act, 1956 and was reconstituted vide board resolution dated July 07, 2017 as per the provisions of Section 177 of the Companies Act.

#### Composition of the Audit Committee

The committee presently comprises the following three directors:

Sr. No.	Name of Director	Position	Nature of Directorship
1.	Mr. Ramkisan A. Devidayal	Chairman	Independent Director
2.	Ms. Darsha R. Kikani	Member	Independent Director
3.	Mr. Chandresh S. Parikh	Member	Director

The Company Secretary of our Company acts as the Secretary of the Audit Committee.

#### Terms of Reference of Audit Committee:

The terms of reference of the Audit Committee are as per the guidelines set out under section 177 of the Companies Act, 2013. These broadly include:

- (i) Develop an annual plan for Committee;
- (ii) review of financial reporting processes;
- (iii) review of risk management, internal control and governance processes;
- (iv) discussions on quarterly, half yearly and annual financial statements;
- (v) interaction with statutory, internal and cost auditors;
- (vi) recommendation for appointment, remuneration and terms of appointment of auditors; and
- (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- (i) Matter included in the Director’s Responsibility Statement.
- (ii) Changes, if any, in the accounting policies.
- (iii) Major accounting estimates and significant adjustments in financial statement.

- (iv) Compliance with listing and other legal requirements concerning financial statements.
- (v) Disclosures in financial statement including related party transactions,
- (vi) Qualification in draft audit report.
- (vii) Scrutiny of inter-corporate loans and investments.
- (viii) Management's Discussions and Analysis of Company's operations.
- (ix) Valuation of undertakings or assets of the company, wherever it is necessary.
- (x) Periodical Internal Audit Reports.
- (xi) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- (xii) Letters of Statutory Auditors to management on internal control weakness, if any.
- (xiii) Major non routine transactions recorded in the financial statements involving exercise of judgment by the management.
- (xiv) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.
- (xv) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus approval given, if any.

## **B) Nomination and Remuneration Committee**

In compliance with section 178(1) of the Companies Act, our Company has constituted a Nomination and Remuneration Committee *vide* resolution passed by the Board of directors of our Company at its Meeting on July 07, 2017.

### **Composition of Nomination and Remuneration Committee**

The committee presently comprises the following three directors:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Position</b>	<b>Nature of Directorship</b>
1.	Mr. Ramkisan A. Devidayal	Chairman	Independent Director
2.	Ms. Darsha R. Kikani	Member	Independent Director
3.	Mr. Rajesh C. Parikh	Member	Director

### **Terms of Reference of Nomination and Remuneration Committee**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other senior employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board Members;
3. Devising a policy on diversity of board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board their appointment and removal.

## **C) Stakeholders Relationship & Share Transfer Committee**

In compliance with Section 178 and other applicable provisions of the Companies Act, our Company has constituted a stakeholders relationship & share transfer committee ("**Stakeholders Relationship & Share Transfer Committee**") *vide* resolution passed at the meeting of the Board held on July 07, 2017.

### **Composition of Stakeholders Relationship & Share Transfer Committee**

The committee presently comprises the following four directors:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Position</b>	<b>Nature of Directorship</b>
1.	Mr. Chandresh S. Parikh	Chairman	Director

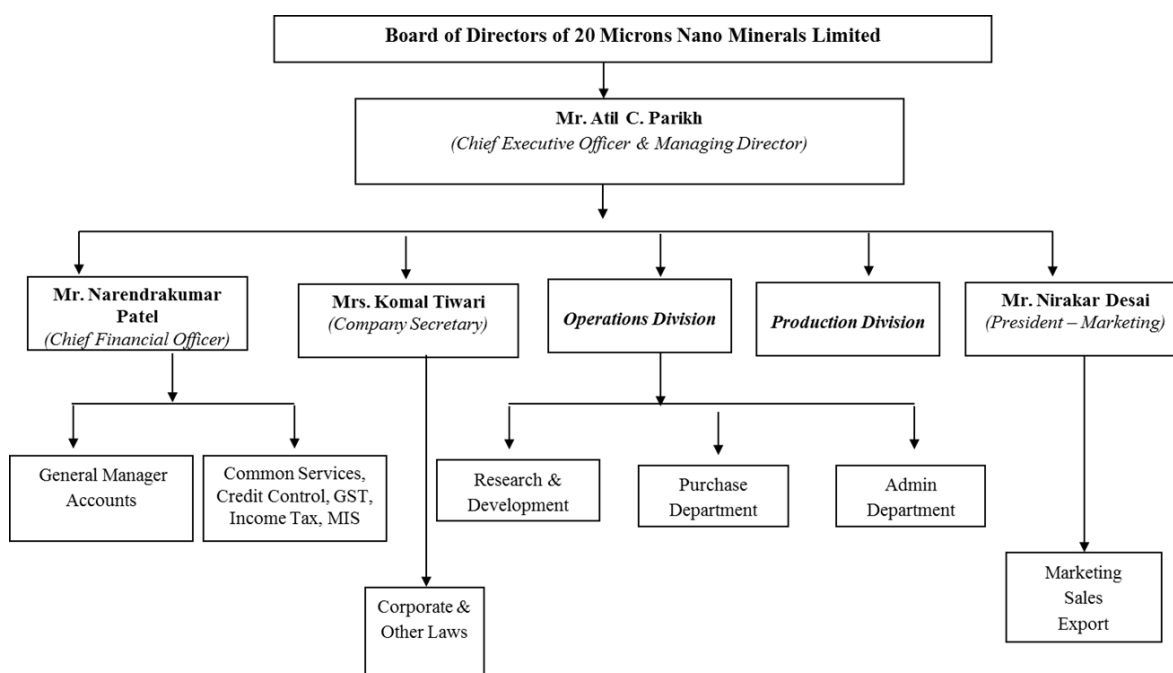
Sr. No.	Name of Director	Position	Nature of Directorship
2.	Mr. Rajesh C. Parikh	Member	Director
3.	Mr. Ramkisan A. Devidayal	Member	Independent Director

### Terms of Reference of Stakeholders Relationship & Share Transfer Committee

1. To approve transfer, transmission and/or transposition of shares, issue of duplicate share certificates and all other matters relating to shares and investor grievances.
2. To look in to redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non- receipt of declared dividend, etc. and advising shareholders/ investors on various matters such as to avail Nomination facility, fill up ECS Mandate, addition of joint names in Demat Accounts, transfer of holding from Physical form to Demat form.
3. To oversee performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.
4. To review unclaimed Dividend to the shareholders and take such steps as may be necessary to clear unpaid Dividend at the earliest in the interest of shareholders.
5. To resolve the grievances of Fixed Deposit holders and matters relating to fixed deposit accepted by the Company.
6. Such other matter as may be assigned by the Board of Directors from time to time

### Management Organisation Structure

The organisational structure of our Company is as under:



### Key Management Personnel

Given below are the details of our Key Management Personnel, in addition to Mr. Atil C. Parikh, the Chief Executive Officer & Managing Director of our Company, as on the date of this DRHP. For details on profile of our Managing Director, kindly refer the chapter titled “Our Management” beginning on page 143 of this DRHP.

**Mr. Narendrakumar Patel**, aged 58 Years, the Chief Financial Officer of our Company, has completed his Bachelor’s Degree in Commerce from Pandit Ravishankar Shukla University in the year 1979. He possesses over 20 years of vast experience in the Accounting, Finance and the related field. He has been handling the assignments concerning the accounting field. He is also Chief Financial Officer of 20 Microns Limited,

Corporate Promoter and our Holding Company. Early in his career, he held a position as an Accountant in Gujarat Fluorochemicals Limited. He then joined as a Regional Manager Accounts in Skypak Services Specialists Limited. Subsequently, He has joined 20 Microns Limited in 2005 as Senior Manager - Credit Control, the Corporate Promoter and the Holding Company of our Company. He has been designated as Chief Financial Officer of our Company w.e.f. July 07, 2017. He has been appointed post completion of FY 2016-17 and has therefore, not received any compensation for the Financial Year 2016-17.

**Mr. Nirakar Desai**, aged 53 years, the President – Marketing of our Company, has completed his Master in Science from Maharaja Sayajirao University of Baroda with specialization in Geology in the year 1989. He possesses 29 years of vast experience in the field of marketing. He started his career as Geologist in our Company and has been promoted from time to time considering his overall performance from Geologist to Marketing Manager then to Vice-president Marketing and then to President- Marketing. He has been appointed post completion of FY 2016-17 and has therefore, not received any compensation for the Financial Year 2016-17.

**Mrs. Komal Tiwari**, aged 26 years, the Company Secretary of our Company, is an Associate member of Institute of Company Secretaries of India. She holds degree of Bachelor of Laws from Osmania University and Post Graduate Diploma in Taxation & Practice from Maharaja Sayajirao University of Baroda. She joined our Company as a Company Secretary and Compliance Officer w.e.f. January 03, 2018. Before joining our Company, she was serving BTW Atlanta Transformers India Private Limited as an assistant company secretary. She has been appointed post completion of FY 2016-17 and has therefore, not received any compensation for the Financial Year 2016-17.

All the Key Management Personnel of our Company are permanent employee of our Company.

#### **Service contracts with Key Management Personnel**

Except for the MD Agreement entered into by our Company with Mr. Atil C. Parikh, CEO and Managing Director of our Company and the terms set forth in the respective appointment letters of Key Management Personnel, the Key Management Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others**

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel were appointed on the Board or as a member of the senior management.

#### **Relationship amongst the Key Management Personnel of our company**

None of the Key Management Personnel are related to each other within the meaning of Section 2 (77) of the Companies Act or as per SEBI ICDR Regulations.

#### **Remuneration paid to our Key Management Personnel during previous financial year**

Since all the existing Key Management Personnel of our Company are appointed after closure of financial year 2016-17, no remuneration is paid and no benefits in kind have been granted to them during previous financial year.

#### **Bonus or profit sharing plans for our Key Management Personnel**

Mr. Atil C. Parikh is entitled to commission of 0.70% of net profit of the Company as per the terms of MD Agreement. Except for him, none of our Key Management Personnel is party to any bonus or a profit sharing plans. However, our Key Management Personnel are entitled to bonus and other incentives as per their respective letters of appointment and policy of our Company.

#### **Shareholding of our Key Management Personnel**

Except the following Key Management Personnel, none of the Key Management Personnel have any shareholding in our Company:

<b>Sr. No.</b>	<b>Name of Key Management Personnel</b>	<b>No. of Equity Shares held</b>	<b>% of pre-Issue shareholding</b>
1	Mr. Atil C. Parikh	28,250 <sup>(1)</sup>	0.31



Sr. No.	Name of Key Management Personnel	No. of Equity Shares held	% of pre-Issue shareholding
2	Mr. Narendrakumar R. Patel	1	0.00
3	Mr. Nirakar H. Desai	196	0.00
	<b>Total</b>	<b>28,447</b>	<b>0.31</b>

<sup>(1)</sup>Jointly with Ms. Ilaben C. Parikh

### Contingent or Deferred Compensation of Key Management Personnel

None of our Key Management Personnel have received or are entitled to any contingent or deferred compensation.

### Loans to Key Management Personnel

None of our Key Management Personnel have availed any loans as on the date of this DRHP.

### Interest of Key Management Personnel

Except as disclosed in “*Interest of Directors*” on page 148 of this DRHP, the Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, the Key Management Personnel may be regarded as interested in our Company to the extent the Equity Shares held by them, if any, and to the extent of any dividend paid or payable to them and other distributions in respect of such Equity Shares.

Except as disclosed in chapter titled “*Related Party Transactions*” beginning on page 166 of this DRHP and as described herein above, our Key Management Personnel do not have any other interest in our business.

### Changes in Key Management Personnel during last three years

The changes in Key Management Personnel of our Company during last three years are as follows:

Name of Key Management Personnel	Date of change	Nature of change	Reason
Ms. Komal G. Tiwari	January 03, 2018	Appointment	Appointment as Company Secretary
Mr. Sagar B. Gandhi	December 30, 2017	Cessation	Resignation as Company Secretary
Mr. Atil C. Parikh	July 07, 2017	Appointment	Appointment as Chief Executive Officer & Managing Director
Mr. Narendrakumar R. Patel	July 07, 2017	Appointment	Appointment as Chief Financial Officer
Mr. Sagar B. Gandhi	January 01, 2017	Appointment	Appointment as Company Secretary
Ms. Swati S. Sharda	July 13, 2016	Cessation	Resignation as Company Secretary
Ms. Swati S. Sharda	February 15, 2016	Appointment	Appointment as Company Secretary
Mr. Vithaldas D. Talati	September 02, 2015	Cessation	Death

### Stock Option/ Stock Purchase Scheme for employees

Presently, our Company does not have any employee stock option/employee stock purchase scheme for employees.

### Non-salary related payment or benefits to our officers

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and Key Management Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company. Except as stated otherwise in this DRHP and any statutory payments made by our Company, no amount or benefit has been paid

or given, in the two years preceding the date of this DRHP, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

The Promoters of our Company are:

#### (A) Individual Promoters:

1. Mr. Chandresh S. Parikh
2. Mr. Atil C. Parikh
3. Mr. Rajesh C. Parikh

#### (B) Corporate Promoter:

1. 20 Microns Limited

As on the date of this DRHP, our Promoters hold, in aggregate 89,48,270 Equity Shares, representing 99.76 % of the pre-Issue paid-up equity share capital of our Company.

### Profile of our Promoters

#### (A) Individual Promoters:

##### 1. Mr. Chandresh S. Parikh



Mr. Chandresh Parikh, son of Mr. Shantilal Parikh, aged 72 years, residing at 604-B, Bhadrlok, O. P. Road, Vadodara – 390007, Gujarat, India, is the Promoter, Chairman and Director of our Company. He is the founding member of our Company and is on the Board of our Company since incorporation. He holds a degree in Master of Science (Chemistry). He has over 37 years of experience in the industry in which our Company operates. He provides the strategic leadership and direction to our Company. For further details, kindly refer the chapter titled “*Our Management*” beginning on page 143 of this DRHP.

**Voter ID No.:** GJ/22/148/363937

**Driving license No.:** GJ06 19940091472

**Passport No.:** Z2931750

##### 2. Mr. Atil C. Parikh



Mr. Atil Parikh, son of Mr. Chandresh Parikh, aged 40 years, residing at 66, Atmajyoti Nagar, Ellorapark, Race Course, Vadodara – 390 007, Gujarat, India, is the Promoter, Chief Executive Officer and Managing Director of our Company. He holds degree of Bachelor of Engineering (Chemical) and MBA with finance specialization. He has over 11 years of experience in the industry in which our Company operates. He heads the overall management and operation of the affairs of our Company under the superintendence and direction of the Board of our Company. For further details, kindly refer the chapter titled “*Our Management*” beginning on page 143 of this DRHP.

**Voter ID No.:** -

**Driving license No.:** MH03 20090041735

**Passport No.:** Z1736003

### 3. Mr. Rajesh C. Parikh



Mr. Rajesh Parikh, son of Mr. Chandresh Parikh, aged 46 years, residing at 604-B, Bhadrlok Appartment, Near Tube Company Old Padra Road, Vadodara – 390 015, Gujarat, India, is the Promoter and Director of our Company. He holds degree of Bachelor of Mechanical Engineering and MBA in finance stream. He has over 20 years of experience in the industry in which our Company operates. He heads the marketing and business development of products of our Company. For further details, kindly refer the chapter titled “*Our Management*” beginning on page 143 of this DRHP.

**Voter ID No.:** RWR2405108

**Driving license No.:** GJ06 19920042373

**Passport No.:** Z3905133

Our Company confirms that the permanent account number, bank account details and passport number of our Individual Promoters will be submitted to the Stock Exchange at the time of filing of this DRHP.

#### (B) Corporate Promoter:

##### 1. 20 Microns Limited – 20 ML

###### a) Corporate Information

20 Microns Limited was originally incorporated as a private limited company under the Companies Act, 1956 in the state of Gujarat on June 29, 1987 with the name “*20 Microns Private Limited*” vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, which name was subsequently changed to “*20 Microns Limited*” upon conversion into public limited company pursuant to a fresh Certificate of Incorporation dated January 17, 1994 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identity Number of 20 ML is L99999GJ1987PLC009768. The registered office of 20 ML is situated at 9-10, GIDC, Industrial Estate, Waghodia, Baroda – 391 760, Gujarat, India.

In terms of its memorandum of association, 20 ML is authorized to deal in various types of minerals including possessing mining rights, mining grounds, and mining works, manufacturing and processing of various minerals and also to deal in plastics, papers, detergents, cements and building material. Presently, 20 ML is engaged in the business of production and trading of industrial minerals.

The equity shares of 20 ML are listed on BSE (scrip code – 533022) and NSE (scrip symbol - 20MICRONS) since October 06, 2008.

The Permanent Account Number of 20 ML is AAACZ0580B.

###### b) Promoters of 20 ML

The following table sets forth the details of promoters of 20 ML and the number of share held by them on December 31, 2017:

Sr. No.	Name of Promoters	No. of Shares held	% of total paid up share capital
1	Mr. Chandresh S. Parikh	36,96,400	10.48
2	Mr. Rajesh C. Parikh	16,59,956	4.70
3	Mr. Atil C. Parikh	16,59,956	4.70
4	Ms. Ilaben C. Parikh	34,000	0.10
5	Eriez Industries Private Limited	82,50,235	23.38
<b>Total</b>		<b>1,53,00,547</b>	<b>43.36</b>

**c) Natural persons in control of Promoters of 20 ML**

Eriez Industries Private Limited is a corporate promoter of 20 ML. Mr. Chandresh S. Parikh, Promoter of our Company is holding 34.94% of the paid up share capital of Eriez Industries Private Limited and thus, is natural person in control of 20 ML. for further details about Eriez Industries Private Limited, kindly refer the chapter titled “Our Group Companies” beginning on page 163 of this DRHP.

**d) Change in control and management of 20 ML**

Except for reclassification of following persons into public category, there has been no change in the control and management of 20 ML during three years preceding the date of this DRHP:

Sr. No.	Name of outgoing promoter/promoter group	Category
1	Mr. Rameshbhai B. Patel	Promoter
2	Mr. Sudir R. Parikh	Promoter
3	Ms. Rupal Ashish Pathak	Promoter Group
4	Ms. Alpa Chetan Turakhia	Promoter Group
5	Ms. Shilpa Chetan Mehta	Promoter Group

**e) Board of Directors of 20 ML**

Sr. No.	Name of Directors	Designation	DIN
1	Mr. Chandresh S. Parikh	Executive Chairman & Whole Time Director	00041584
2	Mr. Rajesh C. Parikh	CEO & Managing Director	00041610
3	Mr. Atil C. Parikh	Managing Director	00041712
4	Ms. Sejal R. Parikh	Non-Executive Director	00140489
5	Mr. Pravinchandra M. Shah	Independent Director	00017558
6	Mr. Ramkisan A. Devidayal	Independent Director	00238853
7	Mr. Atul H. Patel	Independent Director	00009587
8	Dr. Ajay I. Ranka	Independent Director	01676073

**f) Standalone Financial Performance**

(₹ In Lakh except amount per share)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Equity share capital of ₹ 10/- each	1,764.33	1,764.33	1,690.80
Reserve and Surplus	7,907.77	6,637.43	5,276.64
Total revenue (net)	36,203.27	33,970.46	31,966.42
Profit after tax	1,270.35	934.31	(407.41)
Earnings per share	3.63	2.67	(1.20)

**g) Consolidated Financial Performance**

(₹ In Lakh except amount per share)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Equity share capital of ₹ 10/- each	1,764.33	1,764.33	1,690.80
Reserve and Surplus	8,462.05	6,969.05	5,413.76
Total revenue (net)	39,686.62	36,332.92	36,247.95
Profit after tax	1,540.61	1,098.80	(250.19)
Earnings per share	4.37	3.14	(0.74)

## h) Shareholding Pattern

The Shareholding pattern of 20 ML as on December 31, 2017 is as follows:

Cate gory	Category of shareholder	Numbe r of shareh olders	No. of fully paid up equity shares held	No. of Partl y paid-up equit y share s held	No. of share s under lying Depo sitory Recei pts	Total nos. shares held	Shareh olding as a % of total no. of shares (calcul ated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shar es Und erly ing Outs tandi ng conv ertibl e secu rities (incl udin g War rant)	Sharehold ing , as a % assuming full conversion of convertibl e securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateriali sed form
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total Share s held( b)	
								Class eg: Equity Shares	Clas s eg: Oth ers	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+ C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	5	1,53,00,547	0	0	1,53,00,547	43.36	1,53,00,547	0	1,53,00,547	43.36	0	43.36	0	0.00	85,00,547	55.56	1,53,00,547
(B)	Public	11,170	1,99,85,955	0	0	1,99,85,955	56.64	1,99,85,955	0	1,99,85,955	56.64	0	56.64	0	0.00	0	0.00	1,94,72,098
(C)	Non Promoter - Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total	11,175	3,52,86,502	0	0	3,52,86,502	100.00	3,52,86,502	0	3,52,86,502	100.00	0	100.00	0	0.00	85,00,547	24.09	3,47,72,645

(Source: www.bseindia.com)

Our Company confirms that the permanent account number, bank account number, the company registration number of our Corporate Promoter and the address of the registrar of companies where our Corporate Promoter is registered will be submitted to the Stock Exchange at the time of filing of this DRHP.

## **Interest of Promoters**

### **Interest in promotion of our Company**

Our Promoters are interested in our Company to the extent that they or any of them have promoted our Company.

### **Interest in the property acquired by our Company**

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the date of filing of this DRHP or in any transaction by our Company for acquisition of land, construction of building or supply of machinery save and except as are stated in the chapter titled “*Related Party Transactions*” beginning on page 166 of this DRHP.

### **Interest in the business of our Company**

Except as disclosed in the chapter titled “*Related Party Transaction*” beginning on page 166 of this DRHP and except to the extent of business transaction entered into or proposed to be entered into by our Company with our Promoters or any firm, LLP, company or body corporate with which they or any of them are associated as promoters, directors, partners or members, none of our Promoters are interested in the business of our Company.

### **Other interest of our Promoters**

Our Individual Promoters may be deemed to be interested in our Company to the extent of compensation or fees, if any paid or payable to them in their capacity as directors for attending meetings of the Board or a committee thereof as well as to the extent of remuneration, commission and reimbursement of expenses payable to them as per the terms their appointments, AOA of our Company and relevant provisions of Companies Act.

Our Promoters may also be deemed to be interested to the extent of the Equity Shares held by them in our Company, the dividends paid and/or payable and any other distributions in respect of the Equity Shares held by them in our Company. For details of the shareholding of our Promoters in our Company, kindly refer the chapter titled “*Capital Structure*” beginning on page 63 of this DRHP.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this DRHP or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them except in the ordinary course of business of our Company and as disclosed in the chapter titled “*Related Party Transaction*” beginning on page 166 of this DRHP.

20 Microns Limited, our Corporate Promoter, may also be deemed to be interested in our Company to the extent of corporate guarantee given by it for the loans availed by our Company. For further details, kindly refer the chapter titled “*Financial Indebtedness*” beginning on page 238 of this DRHP.

Our Individual Promoters, being on the board of our Group Company, may also be deemed to be interested to the extent of payment made to or received from or in transaction entered into with our Group Company by our Company. For further details of such transaction with our Group Company, kindly refer the chapter titled “*Our Group Companies*” beginning on page 163 of this DRHP.

### **Payment or Benefits to Promoters**

Except as stated otherwise under the section titled “*Financial Information*” beginning on page 168 in respect of the related party transactions entered into during the last five financial years and for the six months period ended September 30, 2017 as per Accounting Standard 18 and as stated in this chapter hereinbefore, our Company has not paid or given during the last two years from the date of filing of this DRHP nor we intend to pay or give any amount or benefit to any of our Promoters or Promoter Group.

### Companies with which our Promoters have disassociated in the last three years

None of our Promoters have disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of this DRHP except as stated below:

Sr. No.	Name of Promoter	Company/Firm from which disassociated	Relationship	Details of disassociation	Reasons/ circumstances leading to disassociation
1	Mr. Chandresh S. Parikh	DMC Private Limited	Director	Resignation	Voluntary disassociation
		Eriez Industries Private Limited	Director	Resignation	Voluntary disassociation
2	Mr. Rajesh C. Parikh	DMC Private Limited	Director	Resignation	Voluntary disassociation
		Eriez Industries Private Limited	Director	Resignation	Voluntary disassociation

### Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company during last five years preceding the date of this DRHP.

### Common Pursuit

Our Company and 20 Microns Limited, our Corporate Promoter and Holding Company, are engaged in the same or similar line of business and are having common promoters and executive directors. Further, our Company, in the ordinary course of business, enters into business transaction with our Corporate Promoter. For details of transaction entered into by our Company with our Corporate Promoter, kindly refer the chapter titled “*Related Party Transaction*” beginning on page 166 of this DRHP.

Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.

### Related Party Transactions

For details relating to related party transaction entered into by our Company, kindly refer the chapter titled “*Related Party Transaction*” beginning on page 166 of this DRHP.

### Confirmations

Our Promoters and members of the Promoter Group have not been declared as Willful Defaulters by RBI or any other governmental authority and except as disclosed in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 240 of this DRHP, there are no violations of securities laws committed by our Promoters in past or pending against them.

Our Promoters and members of the 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.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 240 of this DRHP, there is no litigation, legal action, regulatory or disciplinary action pending or taken by any ministry, department of the Government, statutory authority or stock exchange during the last five years preceding the date of the Issue against our Promoters, group companies and companies promoted by our Promoters.



There have been no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during past three years by our Promoters, group companies and companies promoted by our Promoters.

## Our Promoter Group

In terms of Regulation 2(1)(zb) of SEBI ICDR Regulations, the following persons form part of Promoter Group of our Company:

### A. Natural Persons, being immediate relative(s) of our Promoters:

Relationship with Promoters	Mr. Chandresh S. Parikh	Mr. Rajesh C. Parikh	Mr. Atil C. Parikh
Wife	Mrs. Ilaben C. Parikh	Mrs. Sejal R. Parikh	Mrs. Purvi A. Parikh
Father	-	Mr. Chandresh S. Parikh	Mr. Chandresh S. Parikh
Mother	-	Mrs. Ilaben C. Parikh	Mrs. Ilaben C. Parikh
Father-in-law	-	Mr. Jitendra Amaodwala	Mr. Navnitlal S Shah
Mother-in-law	Mrs. Jasuben N Desai	Smt. Jyoti Amodwala	Mrs. Varshababen N Shah
Brother(s)	-	Mr. Atil C. Parikh	Mr. Rajesh C. Parikh
Brother(s)-in-law	Mr. Bimal N Desai	Mr. Vinay Kansara	-
Sister(s)	-	-	-
Sister(s)-in-law	Mrs. Veenaben S Shah Mrs. Kamini R Desai Mrs. Kokilaben I Shah Mrs. Smitaben P Parikh Mrs. Anjuben B Shah	Mrs. Purvi A. Parikh	Mrs. Sejal R. Parikh Mrs. Dharini Shah
Son(s)	Mr. Rajesh C. Parikh Mr. Atil C. Parikh	Mstr. Kian R. Parikh	-
Son's Wife	Mrs. Sejal R. Parikh Mrs. Purvi A. Parikh	-	-
Daughter(s)	-	Ms. Vedika R. Parikh	Ms. Avishka A. Parikh Ms. Miraya A. Parikh
Daughter's Husband	-	-	-

### B. Body Corporates, being in relationship with our Corporate Promoter in terms of regulation 2(1)(zb)(iii) of SEBI ICDR Regulations:

Sr. No.	Name of Body Corporate	Relationship
1	Eriez Industries Private Limited	Body corporate holding 10% of more of the equity share capital of the promoter
2	20 Microns FZE	Subsidiary Company of the Corporate Promoter
3	20 Microns SDN. BHD.	Subsidiary Company of the Corporate Promoter
4	20 Microns Vietnam Limited	Subsidiary Company of the Corporate Promoter
5	Silicate Minerals (I) Private Limited	Subsidiary Company of the Corporate Promoter

### C. Others:

Sr. No.	Name of Entity	Relationship
1. 1	Chandresh Parikh HUF	HUF of Mr. Chandresh S. Parikh wherein our Individual Promoters and their immediate relatives have beneficial interest of more than 10%.
2.	Parikh Rajesh HUF	HUF of Mr. Rajesh S. Parikh wherein our Individual Promoters and their immediate relatives have beneficial interest of more than 10%.

Sr. No.	Name of Entity	Relationship
3.	Thrive Selfcare LLP	LLP in which the immediate relatives of our Individual Promoters have interest of more than 10%.

Our Promoter Group (excluding our Promoters) hold in aggregate 21,510 Equity Shares constituting 0.24 % of pre-Issue paid up equity share capital of our Company.

## OUR GROUP COMPANIES

In accordance with the provisions of SEBI ICDR Regulations, as amended from time to time for the purpose of identification of Group Companies, our Company has considered such companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India and such other companies as considered material by our Board as our group company. Our Board has adopted a policy of materiality for determining the Group Company by passing a resolution at its meeting held on December 30, 2017 which is reproduced below:

### Policy of Materiality

“A company shall be considered material and will also be disclosed as a group company if such company forms part of promoter group (excluding subsidiary or subsidiaries of the holding company) of our Company and where our Company has:

- made the investment in the form of equity or loan, the value of which exceeds 10% of the net worth of the Company for the last audited financial year; or
- entered into one or more transactions with such company in the last audited financial year, the value of which cumulatively exceeds 10% of the total revenue of the Company for the last audited financial year.”

For avoidance of doubt, it is clarified that 20 Microns Limited, our Corporate Promoter and Holding Company, has not been considered as a Group Company for the purpose of disclosure in this DRHP.

Based on the above mentioned materiality policy, as on the date of this DRHP, our Company has only one group company, namely, Eriez Industries Private Limited, the details of which are set forth hereunder.

### Eriez Industries Private Limited - EIPL

#### *Corporate Information*

Eriez Industries Private Limited was originally incorporated as a public limited company under the Companies Act, 1956 in the state of Gujarat on June 14, 1995 with the name “*20 Microns Finance and Investments Limited*” vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli which name was subsequently changed to “*Eriez Finance and Investment Limited*” vide a fresh Certificate of Incorporation dated August 13, 2002 issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli and was converted into a private company vide Certificate of Incorporation upon conversion from public company to private company dated September 08, 2015 issued by Registrar of Companies, Ahmedabad and the name was changed to “*Eriez Finance and Investment Private Limited*”. The name was further changed to “*Eriez Industries Private Limited*” vide fresh Certificate of Incorporated consequent upon change of name dated October 14, 2015 issued by Registrar of Companies, Ahmedabad.

The Corporate Identity Number of EIPL is U26990GJ1995PTC026316. The registered office of EIPL is situated at 347, GIDC Industrial Estate, Waghodia Vadodara – 391 760, Gujarat, India.

In terms of its memorandum of association, EIPL is authorized, *inter alia*, to deal in paints, colours, oils, pigments etc., to deal in lead, orange minerals etc., to deal in farming, agriculture and horticulture including food products and to deal in plant and machinery, components and equipment of every description.

The Permanent Account Number of EIPL is AAACZ0643B.

#### *Nature and extent of interest of our Promoters in EIPL*

Our Promoters may be deemed to be interested in EIPL to the extent of equity shares held by them. Our Promoters hold in aggregate 25,64,191 equity shares constituting 51.21 % of the total paid up equity share capital of EIPL.

## ***Financial Performance***

The brief financial performance of our Group Company during preceding three financial years is as under:

<b>(₹ In Lakh except amount per share)</b>			
<b>Particulars</b>	<b>FY 2016-17*</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
Equity share capital of ₹ 10/- each	500.71	500.71	500.71
Reserve and Surplus	838.54	(267.94)	(213.03)
Total revenue from operation (net)	Nil	12.00	23.67
Profit after tax	(112.46)	(54.91)	(167.10)
Earnings per share	(2.25)	(1.10)	(3.34)
Net Asset Value per share	26.75	4.65	5.75

*\*as per the IND As which has been voluntarily adopted for the FY 2016-17.*

## ***Nature and extent of Interest of EIPL in our Company***

### **Interest in the promotion of our Company**

Our Group Company is not interested in the promotion of our Company.

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

Our Group Company is not interested in any property acquired or proposed to be acquired by our Company within two years of the date of filing of this DRHP or in any transaction in acquisition of land, construction of building and supply of machinery etc.

### **Interest in the business of our Company**

Except for the fact that our Group Company is, by its memorandum of association, authorized to deal in certain products similar to the products dealt with by our Company and except for the business transaction entered into by our Company as disclosed in the chapter titled “*Related Party Transactions*” beginning on page 166 of this DRHP, our Group Company is not interested in the business of our Company.

### **Other Interest in our Company**

As on the date of this DRHP, our Group Company holds 21,510 equity shares constituting 0.24% of total equity paid up capital of our Company.

## ***Other details of Group Company***

### **Group Companies under winding up**

Our Group Company is not under any winding up proceeding.

### **Group Companies which are sick industrial companies**

Our Group Company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995.

### **Loss made by Group Companies**

Our Group Company has made loss of ₹ 112.46 Lakh, ₹ 54.91 Lakh and ₹ 167.10 Lakh in the preceding three financial years respectively.

### **Defunct Group Companies**

Our Group Company has not remained defunct and no application has been made to the registrar of companies for striking off the name of our Group Company during the five years preceding the date of filing the DRHP.

### **Common Pursuits between the Group Company and our Company**

Our Promoters are also members and promoters of our Group Company. Further, our Group Company is one of the promoters of our Corporate Promoter holding 23.38% of total equity paid up capital of our Corporate Promoter. Further, one of our KMPs, namely, Mr. Nirakar Desai, President – Marketing is on the board of our Group Company. Except as disclosed herein, there are no common pursuits or conflict of interest situations between our Group Company and our Company.

Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.

### **Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company**

Other than the transactions disclosed in the chapter titled “*Related Party Transactions*” beginning on page 166 of this DRHP, there are no other related business transactions within the Group Companies.

### **Sale/Purchase between Group Company and our Company**

Our Group Company is not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of our Company.

### **Other Confirmations**

Except as disclosed in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 240 of this DRHP, there is no litigation, legal action, regulatory or disciplinary action pending or taken by any ministry, department of the Government, statutory authority or stock exchange during the last five years preceding the date of the Issue against our Group Company.

There have been no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during past three years by our Group Company.

No part of the Issue proceeds is payable to or proposed to be invested in our Group Company.

None of the securities of our Group Company is listed on any stock exchange or failed to get listed on any recognized stock exchange in India or abroad.

Our Group Company has not made any public issue or rights issue during three years preceding the date of this DRHP.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during the last five financial years and for the six months period ended September 30, 2017, as per the requirement under Accounting Standard 18 “*Related Party Disclosures*”, kindly refer “*Financial Statements - Related Party disclosures*” on page 223 of this DRHP.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by our Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company does not have any formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements. Our Company is currently availing of or may enter into arrangements to finance our fund requirements for our business activities. For further details, kindly refer the chapter titled “*Financial Indebtedness*” beginning on page 238 of this DRHP.

### **Dividend Track Record**

The Board of Directors of our Company has, at its meeting held on October 13, 2017, declared interim dividend of ₹ 1/- per Equity Share aggregating to ₹ 89,70,020 out of the profits of our Company for the FY 2018 to the shareholders of our Company whose names appeared in the register of members on October 13, 2017.

Except for the abovementioned interim dividend, our Company has not declared any dividend during preceding five financial years.

## SECTION V – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

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## AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION

To,  
The Board of Directors,  
20 Microns Nano Minerals Limited  
9/10, GIDC Industrial Estate,  
Waghodia-391760,  
Dist. Vadodara  
Gujarat, India.

Dear Sirs,

1. We have examined the attached Restated Financial Information of 20 Microns Nano Minerals Limited ('the Company'), which comprises of the Restated Summary Statement of Assets and Liabilities as at September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the six months period ended September 30, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 and the Summary of Significant Accounting Policies (collectively, the "Restated Financial Information") as approved by the Board of Directors of the Company at their meeting held on December 30, 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) of equity shares prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
  - b) the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI ICDR Regulations"); and
  - c) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").
2. The preparation of the Restated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules, SEBI-ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Financial Information and confirm whether such Restated Financial Information comply with the requirements of the Act, the Rules, SEBI-ICDR Regulations and the Guidance Note.
3. We have examined these Restated Financial Information taking into consideration
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 13, 2017 in connection with the proposed IPO of the Company;
  - b) The Guidance Note; and
  - c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered

4. These Restated Financial Information have been compiled by the Management from the Audited Financial Statements of the Company for six months period ended September 30, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, which have been approved by the Board of Directors of the Company at their meetings held on December 30, 2017, May 05, 2017, May 23, 2016, May 21, 2015, May 24, 2014 and May 28, 2013 respectively and books of accounts underlying those financial statement and other records of the Company, to the extent considered necessary for the preparation of Restated Financial Information, are the responsibility of the Company's Management. The Financial Statement of the company for the 6 months period ended September 30, 2017 and for the financial years ended March 31, 2017 and March 31, 2016 has been audited by us and for March 31, 2015 and March 31, 2014 has been audited by N C Vaishnav & Co., Chartered Accountants and for March 31, 2013, by K C Mehta & Co. Chartered Accountants as a sole statutory auditors and had issued unqualified reports for these years.
5. For the purpose of our examination, we have relied on:
  - a) Auditor's Report issued by us dated December 30, 2017 on the Financial Statements of the Company as at and for six month ended September 30, 2017, Auditor's Report issued by us dated May 05, 2017 on the Financial Statements of the Company as at and for the year ended March 31, 2017 and Auditor's Report issued by us dated May 23, 2016 on the Financial Statements of the Company as at and for six month ended March 31, 2016 as referred in Para 4 above;
  - b) Auditor's Report issued by previous auditor, M/s N C Vaishnav & Co., Chartered Accountants, dated May 21, 2015 on the Financial Statements of the Company as at and for the year ended March 31, 2015 and Auditor's Report issued by previous auditor, N C Vaishnav & Co., Chartered Accountants, dated May 26, 2014 on the Financial Statements of the Company as at and for the year ended March 31, 2014 as referred in Para 4 above;
  - c) Auditor's Report issued by previous auditor, M/s K C Mehta & Co., Chartered Accountants, dated May 28, 2013 on the Financial Statements of the Company as at and for the year ended March 31, 2013 as referred in Para 4 above;
  - d) The audit for the financial year ended March 31, 2015 and March 31, 2014 was conducted by the Company's previous auditor, M/s N C Vaishnav & Co., Chartered Accountants, and the audit for the financial year ended March 31, 2013 was conducted by the Company's previous auditor, M/s K C Mehta & Co., Chartered Accountants, and accordingly reliance has been placed on the restated summary statement of assets and liabilities and the restated summary statements of profit and loss and cash flow examined by the Previous Auditors for the said years. The examination report included for the said years is based solely on the examination reports submitted by M/s N C Vaishnav & Co., Chartered Accountants, dated December 30, 2017 for the year ended March 31, 2015 and March 31, 2014 and by M/s K C Mehta & Co., Chartered Accountants, dated December 30, 2017 for the year ended March 31, 2013. They have also confirmed that:
    - a. the accounting policies as at and for the six months period ended September 30, 2017 are materially consistent with the policies adopted for the years ended March 31, 2015, 2014 and 2013. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
    - b. these 2015, 2014 and 2013 Restated Summary Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
    - c. these 2015, 2014 and 2013 Restated Summary Statements do not contain any extra- ordinary items that need to be disclosed separately in the 2015, 2014 and 2013 except reported in Annexure – XXXVII "Notes to Restated Summary Statement of Assets and Liabilities, Profit and Losses and

Cash Flow” point no. 11 Exceptional Item -, as examined by them, and

d. do not contain any qualification requiring adjustments.

6. Based on our examination, we report that:

- a) The Restated Summary Statement of Assets and Liabilities of the Company, including March 31, 2015 and March 31, 2014 examined and reported upon by N C Vaishnav& Co., Chartered Accountants, and March 31, 2013 examined and reported upon by K C Mehta & Co. Chartered Accountants, on which reliance has been placed by us and as at September 30, 2017, March 31, 2017, March 31, 2016, examined by us, as set out in Annexure-I to this report, are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and are more fully described in Annexure IVA: Notes on material adjustments and regrouping to Restated Summary Statement to Audited Financial Statements.
- b) The Restated Summary Statement of Profit and Loss of the Company, including for year ended March 31, 2015 and March 31, 2014 examined and reported upon by N C Vaishnav& Co., Chartered Accountants and March 31, 2013 examined and reported upon by K C Mehta & Co. Chartered Accountants, on which reliance has been placed by us and for six months ended September 30, 2017 and for each of years ended March 31, 2017 and March 31, 2016, examined by us, as set out in Annexure-II to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IVA: Notes on material adjustments and regrouping to Restated Summary Statement to Audited Financial Statements.

The Restated Summary Statement of Cash Flows of the Company for year ended March 31, 2015 and March 31, 2014 examined and reported upon by N C Vaishnav& Co., Chartered Accountants and March 31, 2013 examined and reported upon by K C Mehta & Co. Chartered Accountants, on which reliance has been placed by us and for six months ended September 30, 2017 and for each of years ended March 31, 2017 and March 31, 2016, examined by us, as set out in Annexure-III to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IVA: Notes on material adjustments and regrouping to Restated Summary Statement to Audited Financial Statements.

- c) Based on the above, according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s N C Vaishnav& Co., Chartered Accountants and M/s K. C. Mehta and Company, Chartered Accountants, we are of opinion that the Restated Financial Information:
  - i.) The accounting policies for the six months period ended September 30, 2017 are materially consistent with the policies adopted for the years ended March 31, 2017, 2016, 2015, 2014 and 2013. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented, on account of changes in accounting policies;
  - ii.) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - iii.) Restated Summary Statements do not contain any extra-ordinary items that need to be disclosed separately in the Restated Summary Statements except reported in Annexure – XXXVII “Notes to Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash Flow” point no. 11 Exceptional Item;
  - iv.) There are no qualifications in the auditors’ reports on the Financial Statements of the Company as at and for six months period ended September 30, 2017 and each of the years ended March 31, 2017, 2016,

2015, 2014 and 2013, which require any adjustments to the Restated Summary Statements;

- v.) Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016, 2015 and 2003 (as amended), as applicable, on the statutory financial statements for six months ended September 30, 2017 and each of the years ended 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustment in the Restated Summary Statements, are as follows:

1. For the six months ended September 30, 2017 :

Clause vii(b) The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount (in lacs)	Period to which it relates
Income Tax Act, 1961- Before Commissioner of Income Tax (Appeals)	Income Tax	0.62	A.Y. 2012-13
Income Tax Act, 1961	Income Tax	0.05	A.Y. 2009-10
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	19.04	F.Y. 2010-11
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	5.71	F.Y. 2012-13

2. For the year ended 31 March, 2017:

Clause vii(b) The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount (in lacs)	Period to which it relates
Income Tax Act, 1961- Before Commissioner of Income Tax (Appeals)	Income Tax	0.60	A.Y. 2012-13
Income Tax Act, 1961	Income Tax	0.05	A.Y. 2009-10
Income Tax Act, 1961	Income Tax	0.09	A.Y. 2015-16
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	24.75	F.Y. 2010-11

3. For the year ended 31 March, 2016:

Clause vii(b) The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount (in lacs)	Period to which it relates
Income Tax Act, 1961- Before Commissioner of Income Tax (Appeals)	Income Tax	0.65	A.Y. 2012-13
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	24.75	F.Y. 2010-11

4. For the year ended 31 March, 2015:

Clause 7 (b) The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount (in lacs)	Period to which it relates
Income Tax Act, 1961- Before Commissioner of Income Tax (Appeals)	Income Tax	0.61	A.Y. 2012-13
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	24.75	F.Y. 2010-11

5. For the year ended 31 March, 2013:

Clause iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. However internal control with regards to Secretarial Compliance needs further strengthening. During the course of our audit, no major weaknesses have been noticed in the internal control system.

Clause xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the Company has used funds raised on short term basis for long term investment amounting to Rs. 6.73/- lacs.

7. We have also examined the following Restated Other Financial Information of the Company set out in the following Annexures, proposed to be included in the offer document, prepared by the Management and approved by the Board of Directors on December 30, 2017, for six months period ended September 30, 2017 and for the years ended March 31, 2017 and March 31, 2016. In respect of the year ended March 31, 2015 and March 31, 2014 these information have been included based upon the reports submitted by the previous auditors, M/s N C Vaishnav & Co., Chartered Accountants and for the year ended March 31, 2013 these information have been included based upon the reports submitted by previous auditors, M/s. K C Mehta & Co. Chartered Accountants and relied upon by us:

(i)	Annexure IVA	Notes on material adjustments and regrouping to Restated Summary Statement
(ii)	Annexure IVB	Non Adjusting Items
(iii)	Annexure V	Notes To Restated Summary Statement of Assets and Liabilities, Profits and Losses And Cashflows
(iv)	Annexure VI	Restated Statement of Share Capital
(v)	Annexure VII	Restated Statement of Reserves And Surplus
(vi)	Annexure VIII	Restated Statement of Long Term Borrowings
(vii)	Annexure IX	Restated Statement of Net Deferred Tax Assets/Liabilities.
(viii)	Annexure X	Restated Statement of Other Long Term Liabilities
(ix)	Annexure XI	Restated Statement of Long Term Provision
(x)	Annexure XII	Restated Statement of Short-Term Borrowing
(xi)	Annexure XIII	Restated Statement of Trade Payable
(xii)	Annexure XIV	Restated Statement of Other Current Liabilities
(xiii)	Annexure XV	Restated Statement of Short Term Provisions
(xiv)	Annexure XVI	Restated Statement of Fixed Assets - Tangible and Intangible Asset
(xv)	Annexure XVII	Restated Statement of Non-Current Investment
(xvi)	Annexure XVIII	Restated Statement of Long-term Loans and Advance
(xvii)	Annexure XIX	Restated Statement of Other Non-Current Asset

(xviii)	Annexure XX	Restated Statement of Inventories
(xix)	Annexure XXI	Restated Statement of Trade Receivables
(xx)	Annexure XXII	Restated Statement of Cash and Bank balances
(xxi)	Annexure XXIII	Restated Statement of Short-term Loans and Advances
(xxii)	Annexure XXIV	Restated Statement of Other Current Assets
(xxiii)	Annexure XXV	Restated Statement of Revenue from Operations
(xxiv)	Annexure XXVI	Restated Statement of Other Income
(xxv)	Annexure XXVII	Restated Statement of Cost of Material Consumed
(xxvi)	Annexure XXVIII	Restated Statement of Purchase of Stock-In-Trade
(xxvii)	Annexure XXIX	Restated Statement of Changes in Inventories of Finished Goods, Work-In- Progress and Stock-In-Trade
(xxviii)	Annexure XXX	Restated Statement of Employee Benefits Expense
(xxix)	Annexure XXXI	Restated Statement of Finance Cost
(xxx)	Annexure XXXII	Restated Statement of Other Expenses
(xxxi)	Annexure XXXIII	Restated Statement of Accounting Ratios
(xxxii)	Annexure XXXIV	Restated Statement of Capitalisation
(xxxiii)	Annexure XXXV	Restated Tax Shelter Statement
(xxxiv)	Annexure XXXVI	Restated Statement of Dividend Declared and Paid
(xxxv)	Annexure XXXVII	Notes to Restated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flow
(xxxvi)	Annexure XXXVIII	Related Party Transactions

According to the information and explanations given to us, in our opinion the Restated Financial Information and the above restated financial information contained in Annexures I to XXXVII accompanying this report read along with the Significant Accounting Policies and Notes as set out in Annexure V are prepared after making adjustments and regroupings as considered appropriate Refer Annexure IVA and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have not audited any financial statements of the Company for any period subsequent to September 30, 2017. Accordingly, we express no opinion on the financial position, results of operations or cash flow of the Company as of any date or for any period subsequent to September 30, 2017. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the Management for inclusion in the offer documents in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For K. M. Swadia & Co.**  
**Chartered Accountants**  
**(Firm's Registration No. 110740W)**

**Pravin Panchiwala**  
**Partner**  
**Membership No.127406**

**Place: Vadodara**  
**Date: December 30, 2017**

## 20 MICRONS NANO MINERALS LIMITED

### ANNEXURE I:

#### Restated Summary Statement of Assets and Liabilities

(Amount in ₹ Lacs)

Particulars	Annex ure	As at					
		September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>							
<b>(1) Shareholders' Funds</b>							
(a) Share Capital	VI	897.00	897.00	647.00	605.00	605.00	605.00
(b) Reserves and Surplus	VII	1,027.09	904.84	380.02	268.83	120.69	132.86
<b>(2) Non-Current Liabilities</b>							
(a) Long-Term Borrowings	VIII	151.98	104.84	148.18	161.46	627.30	799.73
Deferred Tax Liabilities							
(b) (Net)	IX	163.02	158.36	132.33	120.63	129.22	114.02
(c) Other Long Term Liabilities	X	3.78	1.84	1.20	0.75	1.07	5.30
(d) Long Term Provision	XI	3.03	0.67	-	-	-	-
<b>(3) Current Liabilities</b>							
(a) Short-term Borrowings	XII	540.20	491.57	553.41	511.14	579.31	619.08
(b) Trade Payables	XIII	423.75	507.38	706.26	317.89	266.44	354.69
(c) Other Current Liabilities	XIV	214.46	169.88	178.91	581.93	329.34	377.07
(d) Short-term Provisions	XV	0.65	37.58	19.90	24.90	21.01	10.91
<b>TOTAL</b>		<b>3,424.96</b>	<b>3,273.96</b>	<b>2,767.21</b>	<b>2,592.53</b>	<b>2,679.38</b>	<b>3,018.66</b>
<b>II.ASSETS</b>							
<b>(1) Non-current Assets</b>							
(a) Fixed Assets	XVI						
(i) Tangible Assets		1,332.73	1,285.75	1,147.16	979.57	1,070.87	1,346.94
(ii) Intangible Assets		86.97	103.71	140.86	39.51	71.40	72.55
(iii) Capital work-in-progress		-	-	181.02	-	-	24.35
(iv) Intangible Assets under Development		5.24	5.24	5.24	5.24	7.78	26.47
(b) Non-current Investments	XVII	0.23	0.23	0.23	0.23	0.23	0.23
(c) Long Term Loans and Advances	XVIII	-	-	9.68	175.41	141.86	183.11
(d) Other Non-current Assets	XIX	2.75	1.68	1.88	4.42	3.59	1.84
<b>(2) Current Assets</b>							
(a) Inventories	XX	893.15	842.90	606.50	264.18	298.22	320.32
(b) Trade Receivables	XXI	792.60	777.72	400.90	401.16	408.33	444.23
(c) Cash and Bank Balances	XXII	130.62	31.04	24.18	43.95	36.01	33.34
Short Term Loans and Advances							
(d) Advances	XXIII	168.58	217.13	240.36	674.20	636.14	560.89
(e) Other Current Assets	XXIV	12.09	8.56	9.20	4.66	4.95	4.39
<b>TOTAL</b>		<b>3,424.96</b>	<b>3,273.96</b>	<b>2,767.21</b>	<b>2,592.53</b>	<b>2,679.38</b>	<b>3,018.66</b>

**As per our report of even date attached**

**Note:**

The above statement should be read with the notes to the Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash flows as appearing in Annexure IV and V.

**For K M Swadia & Co.      For and on behalf of Board of Directors**  
**FRN - 110740W**  
**Chartered Accountants**

<b>CA. Pravin Panchiwala</b>	<b>Chandresh S.Parikh</b>	<b>Atil C. Parikh</b>	<b>N.R. Patel</b>	<b>Sagar Gandhi</b>
<b>Partner</b>	<b>Director</b>	<b>Director</b>	<b>Chief Financial</b>	<b>Company Secretary</b>
<b>M. No. - 127406</b>	<b>DIN-00041584</b>	<b>DIN-00041712</b>	<b>Officer</b>	<b>M. No. A44519</b>
<b>Place : Vadodara</b>				
<b>Date : December 30, 2017</b>				



**ANNEXURE II:**  
**Restated Summary Statement of Profit and Loss**

(Amount in ₹ Lacs)

Particulars	Annexure	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>I. INCOME</b>							
Revenue from Operations	XXV	1,919.63	3,251.70	2,390.65	2,580.51	2,068.69	2,691.16
Other Income	XXVI	19.68	56.56	99.35	127.21	185.79	174.30
<b>Total Revenue (I +II)</b>		<b>1,939.31</b>	<b>3,308.26</b>	<b>2,490.00</b>	<b>2,707.72</b>	<b>2,254.48</b>	<b>2,865.46</b>
<b>II EXPENSES</b>							
Cost of Materials Consumed	XXVII	1,051.76	1,727.88	1,321.00	1,326.98	1,028.67	1,033.11
Purchase of Stock-in-Trade	XXVIII	63.37	94.57	158.34	496.86	210.87	392.83
Changes in Inventories of Finished Goods and Stock-in-Trade	XXIX	(41.86)	(49.33)	(18.20)	4.50	47.66	6.68
Employee Benefit Expense	XXX	158.59	254.35	179.31	89.22	100.09	245.79
Financial Costs	XXXI	41.84	100.16	127.74	162.05	192.73	216.65
Depreciation and Amortization Expense	XVI	59.46	119.07	89.26	108.32	81.13	93.32
Other Expenses	XXXII	400.85	800.29	493.78	361.51	469.85	864.65
<b>Total Expenses</b>		<b>1,734.01</b>	<b>3,046.99</b>	<b>2,351.23</b>	<b>2,549.44</b>	<b>2,131.00</b>	<b>2,853.03</b>
<b>III Restated Profit Before Exceptional and Extra Ordinary items and Tax (I-II)</b>		<b>205.30</b>	<b>261.27</b>	<b>138.77</b>	<b>158.28</b>	<b>123.48</b>	<b>12.43</b>
<b>IV Exceptional Item</b>		-	-	-	-	119.30	-
<b>V Restated Profit /(Loss) Before Tax (III- IV)</b>		<b>205.30</b>	<b>261.27</b>	<b>138.77</b>	<b>158.28</b>	<b>4.18</b>	<b>12.43</b>
<b>VI Tax Expense:</b>							
(1) Current Tax		67.89	60.42	36.89	31.74	1.15	3.65
(2) Deferred Tax		4.66	26.03	11.69	(8.59)	15.20	39.83
(3) Mat Credit Entitlement		-	-	-	(14.45)	-	(3.65)
<b>VII Restated Profit/(Loss) after tax (V-VI)</b>		<b>132.75</b>	<b>174.82</b>	<b>90.18</b>	<b>149.58</b>	<b>(12.17)</b>	<b>(27.40)</b>
<b>X. Earnings Per Equity Share:</b>							
(a) Basic Earnings Per Share		<b>1.48</b>	<b>2.43</b>	<b>1.46</b>	<b>2.47</b>	<b>(0.20)</b>	<b>(0.45)</b>
(b) Diluted Earnings Per Share		<b>1.48</b>	<b>2.43</b>	<b>1.45</b>	<b>2.43</b>	<b>(0.17)</b>	<b>(0.45)</b>

**As per our report of even date attached**

**Note:**

1. The above statement should be read with the notes to the Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash flows as appearing in Annexure IV and V.
2. Earning per equity share for the six months period ended on September 30, 2017 is not annualised.

**For K M Swadia & Co.  
FRN - 110740W  
Chartered Accountants**

**For and on behalf of Board of Directors**

**CA. Pravin Panchiwala  
Partner  
M. No. - 127406**

**Chandresh S.Parikh  
Director  
DIN-00041584**

**Atil C. Parikh  
Director  
DIN-00041712**

**N.R. Patel  
Chief Financial  
Officer**

**Sagar Gandhi  
Company Secretary  
M. No. A44519**

**Place : Vadodara  
Date : December 30, 2017**

**ANNEXURE III:**  
**Restated Summary Cash Flow Statement**

(Amount in ₹ Lacs)						
Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A. Cash Flow from Operating Activities</b>						
Profit (Loss) before tax and after Extra Ordinary Items (as restated)	205.30	261.27	138.77	158.28	4.18	12.43
<b>Adjustments for</b>						
Provision for Doubtful Debts Written Back	-	-	-	-	(4.42)	-
Unrealised Foreign Exchange Loss/Gain	0.43	1.49	-	-	-	-
Profit on Sale of Assets (Net)	-	(0.41)	-	(2.29)	(14.68)	-
Loss on of Assets (Net)	-	-	1.22	-	-	1.74
Remission of Credit balances	(0.09)	(1.29)	(15.74)	(1.20)	(11.76)	-
Remission of Debit Balances	-	-	1.19	0.53	0.04	-
Depreciation and Amortization	59.46	119.05	89.26	106.88	81.12	93.32
Bad debts written off	-	0.34	-	0.10	6.21	5.33
Provision for Doubtful Debts	-	2.65	3.64	8.38	8.07	14.26
Interest Received	(9.92)	(20.51)	(48.21)	(62.01)	(74.26)	(92.33)
Interest Paid	41.84	100.16	127.74	162.05	192.73	216.64
Operating Profit before working capital changes and extra ordinary items (as restated)	<b>297.02</b>	<b>462.75</b>	<b>297.87</b>	<b>370.72</b>	<b>187.23</b>	<b>251.39</b>
<b>Adjustments for</b>						
Increase/(Decrease) in Trade Payable	(83.55)	(197.58)	404.10	52.65	(76.49)	(280.84)
Increase/(Decrease) in Other liabilities	(12.72)	35.09	(0.73)	14.18	(44.43)	(105.75)
(Increase)/Decrease in Trade receivables	(15.32)	(381.30)	(4.55)	(1.83)	25.98	180.90
(Increase)/Decrease in loans/advances and other current assets	34.26	30.43	443.03	(31.96)	38.18	39.73
(Increase)/Decrease in Inventories	(50.26)	(236.42)	(342.32)	34.04	22.11	136.60
Cash Generated from Operation	<b>169.43</b>	<b>(287.03)</b>	<b>797.40</b>	<b>437.80</b>	<b>152.58</b>	<b>222.03</b>
Direct Taxes paid	44.57	62.72	(5.19)	15.44	24.85	21.06
Cash Flow Before extra-ordinary items	<b>124.86</b>	<b>(349.75)</b>	<b>802.59</b>	<b>422.36</b>	<b>127.73</b>	<b>200.97</b>
Net Cash Inflow / (Outflow) in the course of Operating Activities	<b>124.86</b>	<b>(349.75)</b>	<b>802.59</b>	<b>422.36</b>	<b>127.73</b>	<b>200.97</b>
<b>B. Cash Flow from Investing Activities</b>						
Proceeds from Sale of Fixed Assets (incl. sale of CWIP)	-	4.44	1.45	36.50	394.72	79.24
Purchase of Fixed Assets (Including Additions to CWIP)	(89.69)	(43.52)	(541.88)	(16.81)	(140.91)	(296.29)
Interest Received	10.64	17.58	181.21	11.54	18.44	92.33
Net Cash Inflow/(outflow) in the course of investing activities	<b>(79.05)</b>	<b>(21.50)</b>	<b>(359.22)</b>	<b>31.23</b>	<b>272.25</b>	<b>(124.72)</b>
<b>C. Cash Flow from Financing Activities</b>						
Borrowings (Net) Long Term	-	-	-	-	-	(199.21)
Proceeds from Borrowings - Secured	62.00	-	110.38	-	-	-
Issue of equity shares	-	600.00	-	-	-	-
Proceeds from Long Term Borrowings - Unsecured Other borrowings	-	-	50.00	-	47.00	-
Proceeds from Long Term Borrowings - Unsecured Issue of Deposits	-	-	-	-	1.11	-
Proceeds from Short Term Borrowings -	-	-	-	-	32.29	-

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Unsecured Issue of Deposits						
Proceeds from Borrowings - Secured	19.99	(71.09)	(2.43)	5.37	-	-
Repayment of Borrowings - Secured	(27.37)	(83.33)	(127.00)	(190.18)	(230.90)	-
Repayment of Borrowings - Unsecured	47.63	21.30	(334.61)	(97.80)	(58.66)	-
Borrowings (Net) Short Term	-	-	-	-	-	11.02
Interest Paid	(37.98)	(97.33)	(138.94)	(171.46)	(193.20)	(216.64)
Unsecured loans	-	-	-	-	-	314.85
Share Issue Expense	(10.50)	-	-	-	-	-
Net Cash Inflow/(outflow) in the course of financing activities	<b>53.77</b>	<b>369.55</b>	<b>(442.60)</b>	<b>(454.07)</b>	<b>(402.36)</b>	<b>(89.98)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	99.58	(1.70)	0.77	(0.48)	(2.38)	(13.73)
Cash and cash equivalents - opening balance	<b>1.24</b>	<b>2.94</b>	<b>2.17</b>	<b>2.65</b>	<b>5.04</b>	<b>18.77</b>
Cash and cash equivalents - closing balance	<b>100.82</b>	<b>1.24</b>	<b>2.94</b>	<b>2.17</b>	<b>2.66</b>	<b>5.04</b>
<b>Notes:</b>						
1. Cash and Cash Equivalents comprise of:						
Cash on hand	0.08	0.09	0.09	-	0.07	0.09
Balance with scheduled banks						
- Current Accounts	100.74	1.15	2.85	2.17	2.59	4.95
- Deposit Accounts	-	-	-	-	-	-
	<b>100.82</b>	<b>1.24</b>	<b>2.94</b>	<b>2.17</b>	<b>2.66</b>	<b>5.04</b>

**Note:**

1. Cashflow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cashflow Statement".
2. The above statement should be read with the notes to the Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash flows as appearing in Annexure IV and V.
3. Figures in negative/ bracket represents outflows

**For K M Swadia & Co. For and on behalf of Board of Directors**  
**FRN - 110740W**  
**Chartered Accountants**

<b>CA. Pravin Panchiwala</b> <b>Partner</b> <b>M. No. - 127406</b>	<b>Chandresh S.Parikh</b> <b>Director</b>  <b>DIN-00041584</b>	<b>Atil C. Parikh</b> <b>Director</b>  <b>DIN-00041712</b>	<b>N.R. Patel</b> <b>Chief Financial Officer</b>	<b>Sagar Gandhi</b> <b>Company Secretary</b>  <b>M. No. A44519</b>
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**Place : Vadodara**  
**Date : December 30, 2017**

## ANNEXURE –IV A: MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

### 1. Material Regrouping

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company. The material regrouping made in the Restated Summary Statement of Assets and Liabilities are as under:-

- Obligations for Gratuity were presented under "Other Current Liabilities" as at 31 March, 2017 which have been regrouped under 'Long Term Provision.
- Product Development Income were presented under "Other Income" for the year ended March 31, 2013 which have been regrouped under "Revenue from Operations".
- Professional and Consultancy Services were presented under "Other Income" for the year ended March 31, 2013 which have been regrouped under "Revenue from Operations".

### 2. Material Adjustments

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit / (loss) of the Company is as follows:

Particulars	(Amount in ₹ Lacs)					
	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>I. Profit/(loss) after tax (as per audited financial statements)</b>	137.02	168.69	100.33	152.35	(16.72)	(35.39)
<b>II Restated Adjustments:</b>						
<b>Adjustment in Income</b>						
Remission of Credit Balances	(0.82)	(3.51)	(8.10)	(3.08)	8.77	1.94
Insurance Claim Received	(0.44)	0.44	-	-	-	(0.71)
Provision for Doubtful Debts Written Back	(4.48)	0.34	-	(4.42)	(0.22)	8.78
Excess Prov. Written Back	(0.63)	(0.14)	(3.69)	3.62	0.21	0.63
Prior Period Income	-	-	-	(0.06)	-	-
Other Non-Operative Income	-	-	-	-	0.06	-
<b>Total</b>	<b>(6.37)</b>	<b>(2.87)</b>	<b>(11.79)</b>	<b>(3.94)</b>	<b>8.82</b>	<b>10.64</b>
<b>Adjustment in Expenses</b>						
Bad Debts	(4.48)	0.34	(2.27)	(3.94)	3.55	4.44
Provision for Bad Debts	-	(2.94)	1.86	(2.67)	2.76	(2.18)
Remission of Debit Balance	-	(0.06)	(0.42)	(5.74)	(0.24)	(1.16)
Interest and Penalty	-	(2.98)	-	-	-	2.98
Share Issue Expenses	-	-	-	(1.60)	(1.60)	(1.60)
Prior Period Expenses	-	-	-	-	(1.96)	-
Professional fees	-	-	-	-	-	0.39
Welfare Expenses	-	-	-	-	-	0.01
Miscellaneous Expenses	-	-	-	-	-	(0.07)
Discount and Commission	-	-	-	-	-	1.55
Other manufacturing and Factory	-	-	-	-	-	0.09

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Expenses						
Tax Adjustment	2.38	(3.37)	(0.81)	12.79	1.76	(1.79)
<b>Total</b>	<b>(2.10)</b>	<b>(9.01)</b>	<b>(1.64)</b>	<b>(1.16)</b>	<b>4.27</b>	<b>2.66</b>
<b>Total Adjustments</b>	<b>(4.27)</b>	<b>6.14</b>	<b>(10.15)</b>	<b>(2.78)</b>	<b>4.55</b>	<b>7.98</b>
<b>Restated profit/(loss) after tax</b>	<b>132.74</b>	<b>174.82</b>	<b>90.18</b>	<b>149.58</b>	<b>(12.17)</b>	<b>(27.40)</b>

### 3. Notes on Material Adjustments pertaining to prior years

#### a. Remission of Credit Balances

It reflect the net effect of income accounted for pertains to earlier years recognized in current year. The Company had written back certain credit balances during the period six months ended September 30, 2017 (0.82/-lacs), Year ended March 31, 2017 (4.83/-lacs), Year ended March 31, 2016 (8.11/-lacs), Year ended March 31, 2015 (3.69/-lacs), Year ended March 31, 2014 (2.40/-lacs) and Year ended March 31, 2013 (2.47/-lacs). These have been traced to the relevant financial years and have been shown accordingly.

#### b. Insurance Claim Received

The Company had received insurance claim of 0.44/-lacs during the six months ended September 30, 2017 and 0.71/-lacs in the financial year 2012-13. The Insurance Claim Income have been shown to the relevant financial years in which loss was incurred.

#### c. Provision for Doubtful Debts Written Back

It reflect the net effect of income accounted for pertains of earlier years recognized in current year. The Company had written back provision for doubtful debts during the period six months ended September 30, 2017 (4.48/-lacs), Year ended March 31, 2017 (Rs. Nil), Year ended March 31, 2016 (Rs. Nil), Year ended March 31, 2015(4.42/-lacs), Year ended March 31, 2014 (4.64/-lacs), and Year ended March 31, 2013 (Rs. Nil). These have been traced to the relevant financial years and have been shown accordingly.

#### d. Excess Provision Written Back

It reflect the net effect of income accounted for pertains of earlier years recognized in current year. The Company had written back excess provision during the period six months ended September 30, 2017 (0.63/-lacs), Year ended March 31, 2017 (0.78/-lacs), Year ended March 31, 2016 (4.47/-lacs), Year ended March 31, 2015(0.84/-lacs), Year ended March 31, 2014 (0.63/-lacs), and Year ended March 31, 2013 (Rs. Nil). These have been traced to the relevant financial years and have been shown accordingly.

#### e. Prior Period Income

In the year 2014-15, the Company has accounted for other non-operating income of 0.06/-lacs to the Profit and Loss account in respect of earlier year as prior period income. In the restated summary statements, this income has been appropriately restated in the appropriate year.

#### f. Bad Debts

It reflect the net effect of expense accounted for pertains of earlier years recognized in current year. The Company had written off bad debts during the period six months ended September 30, 2017 (4.48/-lacs), Year ended March 31, 2017 (Rs.Nil), Year ended March 31, 2016 (2.27/-lacs), Year ended March 31, 2015(Rs.4.03/-lacs),Year ended March 31, 2014 (2.66/-lacs), and Year ended March 31, 2013 (0.71/-lacs). In the restated summary statements, these expenses have been appropriately restated in the appropriate year.

**g. Provision for Bad Debts**

It reflect the net effect of expense accounted for pertains of earlier years recognized in current year. The Company had created provision for bad debts during the period six months ended September 30, 2017 (Rs.NIL), Year ended March 31, 2017 (2.94/-lacs), Year ended March 31, 2016 (1.08/-lacs), Year ended March 31, 2015 (3.75/-lacs), Year ended March 31, 2014(0.99/-lacs), and Year ended March 31, 2013 (3.17/-lacs). In the restated consolidated summary statements, these expenses have been appropriately restated in the appropriate year.

**h. Remission of Debit Balance**

It reflect the net effect of remission of debit balance pertaining to earlier years recognized in current year. The Company had written off certain debit balances during the period six months ended September 30, 2017 (Rs.Nil), Year ended March 31, 2017 (Rs.0.06/-lacs), Year ended March 31, 2016 (0.46/-lacs), Year ended March 31, 2015(6.21/-lacs), Year ended March 31, 2014 (0.29/-lacs), and Year ended March 31, 2013 (1.16/-lacs). In the restated consolidated summary statements, these expenses have appropriately restated in the appropriate year.

**i. Interest and Penalty**

In the year 2016-17, the Company has accounted Interest and Penalty of 2.98/-lacs to the Profit and Loss account in respect of earlier year's demand. In the restated consolidated summary statements, this expense has been appropriately restated in the appropriate year in which demand for payment was received.

**j. Share Issue Expenses**

In the year 2010-11, the Company had treated certain expenditure of 8.00/-lacs as Share Issue Expense. The said expenditure was charged over the next five financial year to the statement of Profit and Loss account. In the Restated Summary Statement, expenditure which were considered as Share Issue Expenses have been recognised as an expense in the respective year of incurrence.

**k. Prior Period Expenses (Net)**

In the year 2013-14, the Company has accounted for Professional fees of 0.39/-lacs, Welfare Expenses of 0.01/-lacs, Miscellaneous Expenses of (-0.07/-)lacs, Discount and Commission of 1.56/-lacs and Other manufacturing and Factory Expenses of 0.09/-lacs to the Profit and Loss account in respect of earlier years as prior period expense. In the restated consolidated summary statements, these expenses have been appropriately restated in the appropriate year.

**l. Tax Adjustment(Net)- Prior Period Taxes, Provision for Taxes and Deferred Tax**

The prior period taxes have been traced to the relevant financial years and have been shown accordingly. The Provision for Income Tax are net off with the actual Tax paid. Deferred Tax is recalculated and resultant effect is provided in restated profit and loss account.

**4. Reconciliation of the Opening Balance of Balance in Profit and Loss Account for the FY 2012-13**

(Amount in ₹ Lacs)	
Particulars	For The Year Ended March 31, 2013
<b>Opening Balance of Balance in Profit&amp; Loss Account as per audited financial statements (A)</b>	<b>160.68</b>
Add/(Less) : Adjustments on account of -	-
1. Remission of credit balances	4.80
2. Insurance Claims Received	0.71
3. Bad debts	(2.36)
4. Remission of Debit Balance	(7.62)
5. Provision for Bad Debts	(3.17)
6. Taxation Provision for earlier years.	12.01
7.Share Issue Expenses	(4.80)

Particulars	For The Year Ended March 31, 2013
<b>Total Adjustments (B)</b>	<b>(0.43)</b>
<b>Restated opening Balance of balance in Profit &amp; Loss Account(A+B)</b>	<b>160.26</b>

#### ANNEXURE - IV B Non adjusting items:

#### Companies (Auditor's Report) Order, 2016:

Remarks / comments included in the Annexure to Auditors' Reports in terms of Companies (Auditor's Report) Order, 2016 for the half year ended 30 September 2017 and for the year ended 31 March 2017, Companies (Auditor's Report) Order, 2015 for the year ended 31 March 2016 and Companies (Auditor's Report) Order, 2003, as amended, for the years ended 31 March 2015, 2014 and 2013, which do not require any corrective adjustment in the Restated Summary Statements are as follows:

#### 1. For the year Half year ended:

**Clause vii(b)** The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount ₹ in lacs	Period to which it relates
Income Tax Act,1961- Before Commissioner of Income Tax (Appeals)	Income Tax	0.62	A.Y. 2012-13
Income Tax Act,1961	Income Tax	0.05	A.Y. 2009-10
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	19.04	F.Y. 2010-11
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	5.71	F.Y. 2012-13

#### 2. For the year ended 31 March, 2017

Clause vii(b) The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount ₹ in lacs	Period to which it relates
Income Tax Act,1961- Before Commissioner of Income Tax (Appeals)	Income Tax	0.60	A.Y. 2012-13
Income Tax Act,1961	Income Tax	0.05	A.Y. 2009-10
Income Tax Act,1961	Income Tax	0.09	A.Y. 2015-16
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	24.75	F.Y. 2010-11

#### 3. For the year ended 31 March, 2016

Clause vii(b) The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount ₹ in lacs	Period to which it relates
Income Tax Act,1961- Before Commissioner of Income Tax(Appeals)	Income Tax	0.65	A.Y. 2012-13
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	24.75	F.Y. 2010-11



**4. For the year ended 31 March, 2015**

Clause 7 (b) The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

<b>Act under which amount is due and authority before which matter is being disputed</b>	<b>Nature of dues</b>	<b>Amount ₹ in lacs</b>	<b>Period to which it relates</b>
Income Tax Act, 1961- Before Commissioner of Income Tax (Appeals)	Income Tax	0.61	A.Y. 2012-13
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	24.75	F.Y. 2010-11

**5. For the year ended 31 March, 2013**

Clause iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. However internal control with regards to Secretarial Compliance needs further strengthening. During the course of our audit, no major weaknesses have been noticed in the internal control system.

Clause xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the Company has used funds raised on short term basis for long term investment amounting to Rs. 6.73/- lacs.

## **ANNEXURE – V NOTES TO RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASHFLOWS**

### **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **I. Corporate information:**

20 MICRONS NANO MINERALS LIMITED (the 'Company') is an unlisted Public Limited Company.

#### **II. Basis of Preparation:**

The Restated Financial Statements relate to the Company and have been specifically prepared for inclusion in the document to be filed by the Company with the SEBI in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Financial Statements consist of the restated summary statement of assets and liabilities of the Company as at September 30, 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, the related restated summary statement of profit and losses and the related restated summary statement of cash flows for the half year ended September 30, 2017 and for each of the years from 1 April 2016 to 31 March 2017, 1 April 2015 to 31 March 2016, 1 April 2014 to 31 March 2015, 1 April 2013 to 31 March 2014 and 1 April 2012 to 31 March 2013 (hereinafter collectively referred to as "the Restated Financial Statements").

The Restated Financial Statements have been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 ('the 2013 Act'); and the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 ("the SEBI Regulations") notified by SEBI on August 26, 2009, as amended from time to time. The 2013 Act and the SEBI Regulations require the information in respect of the assets and liabilities and profit and losses of the Company for each of the five years immediately preceding the issue of the Prospectus. These Restated Financial Statements were approved by the Board of Directors of the Company in their meeting held on December 30, 2017.

The Audited Financial Statements were prepared in accordance with the generally accepted accounting principle in India (Indian GAAP) at the relevant time. The Restated Financial Statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 [which has superseded Section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013], other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), the provisions of the Companies Act, 2013 to the extent notified and applicable.

The accounting policies have been applied consistently in all these years by the Company.

These restated financial statements have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

- i. Adjustments for audit qualification requiring corrective adjustment in the financial statements, if any;
- ii. Adjustments for the material amounts in respective years to which they relate, if any;
- iii. Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred, if any;
- iv. Adjustment to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;
- v. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended 31 March 2017 and the requirements of the SEBI Regulations, if any;
- vi. The resultant impact of tax due to the aforesaid adjustments, if any.

### **III. Significant Accounting Policies**

#### **a. Basis of preparation of Financial Statements**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 as applicable. The financial statements are prepared on accrual basis under the historical cost convention.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013

#### **b. Use of Estimates**

The preparation of financial statements requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

#### **c. Fixed Assets**

Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation and impairment losses recognised, if any, until the date of the Balance Sheet. Direct costs are capitalized until the assets are ready for use and include financial cost relating to any borrowing attributable to acquisition. Capital work in progress includes the cost of fixed assets that are not yet ready for the intended use.

#### **d. Intangible Assets**

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any.

#### **e. Depreciation/Amortization**

Depreciation is provided on Straight Line method in accordance the provisions of Schedule II of the Companies Act, 2013. Where during the financial year, any addition has been made to an asset, or where any asset has been sold or, discarded or demolished or destroyed, the depreciation on such assets has been calculated on pro rata basis from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.

Intangible assets are amortised on Straight Line Method from the date they are available for use, over the useful lives of the assets not exceeding five years, as estimated by the Management.

#### **f. Impairment of Assets**

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **g. Research and Development**

The Research and Development cost is accounted in accordance with Accounting Standard - 26 'Intangible Assets'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding up to the time when it is possible to demonstrate probable future economic benefits, is recognized as Research Expenses and charged off to the Statement of Profit and Loss, as incurred. All subsequent expenditure incurred for Product Development on the application of Research findings or the other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as Development Expenditure under Intangible Assets under Development, to be capitalized as an intangible asset on completion of the project. In case a project does not proceed as per expectations/plans, the same is

abandoned and the amount classified as Development Expenditure under Intangible Assets under Development is charged off to the Statement of Profit and Loss.

#### **h. Revenue Recognition**

(a) Sales: Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of goods are transferred by the Company to the buyer. Sales figures are inclusive of Excise Duty and freight in case of landed rates, but are net of sales returns, sales tax and rate difference adjustments.

i) Domestic sales are recognised as on the date of dispatch of goods.

ii) Export sales are recognised as on the date of raising of export invoice.

(b) Interest Income: Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

(c) Other Income: Other income is recognized on accrual basis except when realization of such income is uncertain.

(d) Insurance and other claims are recognized only when collection thereof is reasonably certain.

#### **i. Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **j. Leases**

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

Lease details are disclosed in the Notes to Financial Statements (Refer Annexure XXXVII (6)).

#### **k. Inventories**

Raw Materials, Stores & Spares and Finished Goods are valued at cost or net realisable value whichever is lower. Cost for this purpose is arrived at on weighted average basis. In respect of Finished goods appropriate overheads are considered based on normal operating capacity. Cost of finished goods also includes excise duty if applicable.

#### **l. Investments**

Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

#### **m. Foreign Exchange Transactions**

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rates between the reporting currency and the foreign currency at the date of transaction. Foreign currency monetary items outstanding as on the balance sheet date are revalued at the exchange rate prevailing on the Balance Sheet Date (RBI exchange Rate) and the gain/loss is recognised in the Statement of Profit and Loss.

#### **n. Employee benefits**

##### **i. Post-employment benefits:**

##### **a. Defined Contribution plan**

Company's contribution paid/payable for the year to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss.

##### **b. Defined Benefit plan**

Company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets.

**ii. Short-term employee benefits:**

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services.

**iii. Long term employee benefits:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

**o. Taxes on Income**

Provision for current tax is made on the basis of estimated tax payable for the year as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing differences between taxable income and accounting income that are measured at relevant enacted tax rates. At each balance sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

**p. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions excluding retirement benefits are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes to Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statement.

**ANNEXURE - VI Restated Statement of Share Capital:**

(Amount in ₹ Lacs)

Particulars	As at 30 Sep. 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
<b>Authorised Share Capital:</b>						
Equity Shares of ₹10/- each	2,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>Issued, Subscribed and Paid-up:</b>						
Equity Shares of ₹10/- each	897.00	897.00	647.00	605.00	605.00	605.00

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year is set out below:

Particulars	As at Sep.30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Share Capital	No. of Shares	Share Capital	No. of Shares	Share Capital	No. of Shares	Share Capital	No. of Shares	Share Capital	No. of Shares	Share Capital
Equity Shares at the beginning of the year	89.70	897.00	64.70	647.00	60.50	605.00	60.50	605.00	60.50	605.00	60.50	605.00
Add: Shares issued during the period - OCD Conversion	-	-	-	-	4.20	42.00	-	-	-	-	-	-
Add: Shares Issued during the period	-	-	25.00	250.00	-	-	-	-	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>89.70</b>	<b>897.00</b>	<b>89.70</b>	<b>897.00</b>	<b>64.70</b>	<b>647.00</b>	<b>60.50</b>	<b>605.00</b>	<b>60.50</b>	<b>605.00</b>	<b>60.50</b>	<b>605.00</b>

(b) The details of shareholders holding more than 5% shares:

Name of Shareholder	As at Sep.30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No.	% of Holding	No.	% of Holding	No.	% of Holding	No.	% of Holding	No.	% of Holding	No.	% of Holding
20 Microns Limited (Holding Company)	85.00	94.76%	85.00	94.76%	60.00	92.74%	60.00	99.17%	60.00	99.17%	60.00	99.17%

**(c) Right, preferences and restrictions attached to shares**

Every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held for all matter submitted to vote in a shareholders meeting of the company. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion of the number of shares held to the total equity shares outstanding as on that date.

(d) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(e) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - VII Restated Statement of Reserves and Surplus:**

Particulars	(Amount in ₹ Lacs)					
	As at 30 Sep.2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
<b>(a) Debenture Redemption Reserve</b>						
As per last Balance Sheet	-	-	67.35	-	-	-
Add: Transferred from surplus in the statement of Profit & Loss	-	-	-	67.35	-	-
Less : Transferred to Profit and Loss Account	-	-	67.35	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67.35</b>	<b>-</b>	<b>-</b>
<b>(b) Profit and Loss Account</b>						
As per last Balance Sheet	533.84	359.02	201.48	120.69	132.86	160.26
Add: Profit for the year	132.75	174.82	90.18	149.58	(12.17)	(27.40)
Add: Transferred from Debenture Redemption Reserve	-	-	67.35	-	-	-
<b>Less : Appropriations</b>						
Previous year Depreciation Adjustment	-	-	-	1.44	-	-
Transfer to Debenture Redemption Reserve	-	-	-	67.35	-	-
<b>Total</b>	<b>666.59</b>	<b>533.84</b>	<b>359.02</b>	<b>201.48</b>	<b>120.69</b>	<b>132.86</b>
<b>( c) Security Premium Reserve</b>						
As per last Balance Sheet	371.00	21.00	-	-	-	-
Add: On issue of shares	-	350.00	21.00	-	-	-
Less: Share Issue Expenses	10.50	-	-	-	-	-
<b>Total</b>	<b>360.50</b>	<b>371.00</b>	<b>21.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,027.09</b>	<b>904.84</b>	<b>380.02</b>	<b>268.83</b>	<b>120.69</b>	<b>132.86</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.



**ANNEXURE - VIII Restated Statement of Long Term Borrowing:**

(Amount in ₹ Lacs)

Particulars	As at 30 Sep.2017	As at 30 Sep.2017	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2013
	Non- Current Portion	Current Portion (other current liabilities)	Non- Current Portion	Current Portion (other current liabilities)	Non- Current Portion	Current Portion (other current liabilities)	Non- Current Portion	Current Portion (other current liabilities)	Non- Current Portion	Current Portion (other current liabilities)	Non- Current Portion	Current Portion (other current liabilities)
<b>Secured Loans</b>												
<b>Term Loans from Banks</b>												
IDBI Bank Limited (refer note below c.1)	45.38	30.00	60.38	30.00	92.88	80.83	63.33	190.00	253.33	190.00	443.33	190.00
ICICI Bank Limited (refer note below c.2)	49.63	10.59	-	0.95	-	-	-	-	-	-	-	-
Axis Bank	-	-	-	-	-	-	-	0.46	0.47	1.75	2.21	1.56
<b>Unsecured Loans</b>												
<b>Optional Convertible Debentures</b>												
Series I	-	-	-	-	-	-	-	-	111.75	-	111.75	-
Series I From Related Parties -Due to Directors.	-	-	-	-	-	-	-	-	30.00	-	30.00	-
Series II	-	-	-	-	-	-	-	-	127.65	-	127.65	-
<b>Fully Convertible Debentures</b>												
Deposits from Public & Members (refer note below c.4)	53.50	31.25	35.20	31.60	31.60	14.89	57.89	28.05	41.89	46.34	51.79	55.45
<b>Unsecured Loan from Banks</b>												
Kotak Mahindra Prime Ltd (refer note below c.5)	-	14.74	5.12	18.71	23.70	16.49	7.24	19.95	29.21	18.38	-	-
ICICI Bank Limited (refer note below c.3)	3.47	1.16	4.14	0.95	-	-	-	-	-	-	-	-
<b>Total</b>	<b>151.98</b>	<b>87.74</b>	<b>104.84</b>	<b>82.21</b>	<b>148.18</b>	<b>112.21</b>	<b>161.46</b>	<b>238.46</b>	<b>627.30</b>	<b>256.47</b>	<b>799.73</b>	<b>247.01</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.

(c) Nature of Security and Terms of repayment:

Sr. No.	Lender	Nature of facility	Amount Sanctioned	Amount Outstanding as on Sep 30, 2017			Rate of Interest	Repayment terms
				Non-Current Portion	Current Portion shown under current liabilities	Total		
1	IDBI Bank Ltd Security: 1.Term Loan is secured by charge on the whole of plant & machinery of the borrower including of plant & machinery, tools & accessories, furniture, fittings, air-conditioners, vehicles & other movables both presents & future. The term loan is secured way of charge on all present and future fixed assets, lease hold plots Plot number 9, 10, 11 and 336 of Waghodia of the Company. 2. Term Loan is further secured by way of charge on all present and future current assets of the Company and Corporate Guarantee of 20 Microns Ltd.	Term Loan	150.00	45.38	30.00	75.38	12 to 14%	45 Months
2	ICICI Bank Security: Hypothecation of Vehicle	Vehicle Loan	62.00	49.63	10.59	60.22	8.30%	5 Years
3	ICICI Bank Security: Hypothecation of Vehicle	Vehicle Loan	5.55	3.47	1.16	4.63	9.65%	5 Years
4	Deposit from Public & Member Security: Unsecured	Fixed Deposit	262.37	53.50	31.25	84.75	10 to 14 %	1 to 3 years
5	Kotak Mahindra Security: Unsecured	Prime Top-up Loan	50.00	-	14.74	14.74	16.123%	3 Years
<b>Total</b>				<b>151.98</b>	<b>87.74</b>	<b>239.72</b>		

**ANNEXURE - IX Restated Statement of Net Deferred Tax Assets/Liabilities:****(Amount in ₹ Lacs)**

Particulars	As at 30 Sep.2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
<b>Deferred Tax Liability</b>						
Related Fixed Assets	170.77	167.34	139.65	127.34	134.65	120.28
<b>Total (a)</b>	<b>170.77</b>	<b>167.34</b>	<b>139.65</b>	<b>127.34</b>	<b>134.65</b>	<b>120.28</b>
<b>Deferred Tax Assets</b>						
Disallowances under the Income-tax Act, 1961	7.75	8.98	7.32	6.71	5.43	6.26
<b>Total (b)</b>	<b>7.75</b>	<b>8.98</b>	<b>7.32</b>	<b>6.71</b>	<b>5.43</b>	<b>6.26</b>
<b>Total (a-b)</b>	<b>163.02</b>	<b>158.36</b>	<b>132.33</b>	<b>120.63</b>	<b>129.22</b>	<b>114.02</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - X Restated Statement of Other Long Term Liabilities:****(Amount in ₹ Lacs)**

Particulars	As at 30 Sep.2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Interest accrued but not due	3.78	1.84	1.20	0.75	1.07	5.30
<b>Total</b>	<b>3.78</b>	<b>1.84</b>	<b>1.20</b>	<b>0.75</b>	<b>1.07</b>	<b>5.30</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XI Restated Statement of Long Term Provision:****(Amount in ₹ Lacs)**

Particulars	As at 30 Sep.2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Gratuity Obligation (Net of Plan Assets)	3.03	0.67	-	-	-	-
<b>Total</b>	<b>3.03</b>	<b>0.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XII Restated Statement of Short Term Borrowings:**
**(Amount in ₹ Lacs)**

Particulars	As at 30 Sep.2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
<b>Secured (Repayable on demand)</b>						
(a) Working Capital Facility From Bank IDBI Bank Limited (Refer Note C.1 Below)	365.58	345.60	416.69	419.12	413.75	465.06
<b>Unsecured</b>						
(b) Deposits from Public & Members (Refer Note C.2 Below)	174.62	145.97	136.72	92.02	165.56	154.02
<b>Total</b>	<b>540.20</b>	<b>491.57</b>	<b>553.41</b>	<b>511.14</b>	<b>579.31</b>	<b>619.08</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.

**(c) Nature of Security and Terms of repayment:**
**(Amount in ₹ Lacs)**

S. No.	Lender	Nature of facility	Amount Sanctioned	Amount Outstanding as on Sep 30, 2017	Rate of Interest	Repayment terms
1	IDBI Bank Ltd					
	Security: 1. Working capital facility is secured by charge on the whole of plant & machinery of the borrower including of plant & machinery, tools & accessories, furniture's, fittings, air-conditioners, vehicles & other movables both presents & future. The working capital is secured way of charge on all present and future fixed assets, lease hold plots Plot number 9, 10, 11 and 336 of Waghodia of the Company. 2. Working capital facility is further secured by way of charge on all present and future current assets of the Company and Corporate Guarantee of 20 Microns Ltd.					
		Working Capital Loan	600.00	365.58	12.50% to 12.75%	On demand
2	Deposit from Public & Member	Fixed Deposit	262.37	174.62	10 to 14 %	1 to 3 years
	Security: Unsecured					

**ANNEXURE - XIII Restated Statement of Trade Payable:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
Dues to Micro and Small Enterprises (refer note XXXVII. 8)	-	2.50	8.95	5.86	9.74	53.05
Other Trade payables	413.70	504.88	302.65	307.37	256.70	301.64
Trade Payable to Holding Company	10.05	-	394.66	4.66	-	-
<b>Total</b>	<b>423.75</b>	<b>507.38</b>	<b>706.26</b>	<b>317.89</b>	<b>266.44</b>	<b>354.69</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XIV Restated Statement of Other Current Liabilities:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
Current maturities of long-term debt						
IDBI Bank Limited (Refer Note C.1 Below)	30.00	30.00	80.83	190.00	190.00	190.00
Vehicle Loans						
HDFC Bank	-	-	-	-	-	6.42
Axis Bank	-	-	-	0.46	1.75	1.56
Kotak Mahindra Prime Limited (Refer Note C.5 Below)	14.74	18.71	16.49	19.95	18.38	-
ICICI Bank Limited (Refer Note C.2 Below)	10.59	0.95	-	-	-	-
Unsecured ICICI Bank Limited (Refer Note C.3 below)	1.16	-	-	-	-	-
Deposits from Public & Members (refer note below c.4)	31.25	31.60	14.89	28.05	46.34	55.45
Optional Convertible Debentures-Series I	-	-	-	141.75	-	-
Optional Convertible Debentures-Series II	-	-	-	127.65	-	-
Credit Balance in Bank Current Account	-	-	-	-	-	0.61
Interest accrued but not due	9.22	7.31	5.12	16.77	25.87	22.10
Unclaimed Deposits	3.00	3.00	-	-	-	-
Advance from Customers	4.12	2.96	1.15	20.56	3.57	1.06
Duties & Taxes Payable	12.30	1.31	17.02	14.51	8.93	21.13
Provision of Income Tax	14.34	-	-	-	-	-
Expenses Payable	71.40	32.68	27.86	18.23	22.86	23.43
Trade payables for Capital Goods	1.45	28.42	12.46	1.41	0.81	18.98
Advance for sale of Fixed Asset	-	-	-	-	-	35.00
Other payables	10.89	12.94	3.09	2.59	10.83	1.33
<b>Total</b>	<b>214.46</b>	<b>169.88</b>	<b>178.91</b>	<b>581.93</b>	<b>329.34</b>	<b>377.07</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV, V and XXXVII.

(c) Nature of Security and Terms of repayment: Refer Annexure VIII(c)

**ANNEXURE - XV Restated Statement of Short Term Provisions:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
Provision for Leave Encashment	0.65	0.15	0.36	0.15	0.15	0.63
Other Provisions # (Excise Duty)	-	37.43	19.54	24.75	20.86	10.28
<b>Total</b>	<b>0.65</b>	<b>37.58</b>	<b>19.90</b>	<b>24.90</b>	<b>21.01</b>	<b>10.91</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XVI Restated Statement of Fixed Assets -Tangible and Intangible Assets:**

(Amount in ₹ Lacs)

Particulars	Tangible Assets										Intangible Assets				Capital Work in Progress Total (C)	Intangible Assets under Development Total (D)	Grand Total (A+B+C+D)
	Freehold Land	Leasehold Land	Factory Building	Office Building	Plant & Machinery	Computer	Office Equipments	Furniture & Fittings	Vehicle	Total (A)	Product Development	Web Site Development Charges	Minning Development Expenses	Total (B)			
<b>Gross Block</b>																	
<b>As at 1st April, 2012</b>	<b>6.99</b>	<b>136.13</b>	<b>163.59</b>	<b>79.21</b>	<b>616.11</b>	<b>11.11</b>	<b>8.23</b>	<b>86.53</b>	<b>50.49</b>	<b>1,158.39</b>	<b>147.32</b>	<b>0.85</b>	<b>-</b>	<b>148.17</b>	<b>-</b>	<b>-</b>	<b>1,306.56</b>
Additions		-	33.70	-	282.47	0.96	7.70	9.66	6.25	340.74	31.50	-	-	31.50	-	-	372.24
Deletions / Adjustments		-	-	-	17.62	0.48	-	-	15.20	33.30	-	-	-	-	-	-	33.30
<b>As at March 31, 2013</b>	<b>6.99</b>	<b>136.13</b>	<b>197.29</b>	<b>79.21</b>	<b>880.96</b>	<b>11.59</b>	<b>15.93</b>	<b>96.19</b>	<b>41.54</b>	<b>1,465.83</b>	<b>178.82</b>	<b>0.85</b>	<b>-</b>	<b>179.67</b>	<b>-</b>	<b>-</b>	<b>1,645.50</b>
Additions		-	-	-	153.07	0.37	-	-	-	153.44	3.42	-	16.95	20.37	-	-	173.81
Deletions / Adjustments		-	3.81	-	384.51	0.59	-	12.17	4.89	405.97	-	-	-	-	-	-	405.97
<b>As at March 31, 2014</b>	<b>6.99</b>	<b>136.13</b>	<b>193.48</b>	<b>79.21</b>	<b>649.53</b>	<b>11.36</b>	<b>15.93</b>	<b>84.02</b>	<b>36.66</b>	<b>1,213.31</b>	<b>182.24</b>	<b>0.85</b>	<b>16.95</b>	<b>200.04</b>	<b>-</b>	<b>-</b>	<b>1,413.35</b>
Additions		-	1.54	-	12.77	-	-	-	-	14.31	2.50	-	-	2.50	-	-	16.81
Deletions / Adjustments		-	-	-	34.14	-	-	-	0.45	34.59	122.33	0.85	-	123.18	-	-	157.77
<b>As at March 31, 2015</b>	<b>6.99</b>	<b>136.13</b>	<b>195.02</b>	<b>79.21</b>	<b>628.16</b>	<b>11.36</b>	<b>15.93</b>	<b>84.02</b>	<b>36.21</b>	<b>1,193.03</b>	<b>62.41</b>	<b>-</b>	<b>16.95</b>	<b>79.36</b>	<b>-</b>	<b>-</b>	<b>1,272.39</b>
Additions		-	-	-	243.20	0.36	-	-	-	243.56	117.30	-	-	117.30	-	-	360.86
Deletions / Adjustments		-	-	-	-	-	-	-	5.67	5.67	-	-	-	-	-	-	5.67
<b>As at March 31, 2016</b>	<b>6.99</b>	<b>136.13</b>	<b>195.02</b>	<b>79.21</b>	<b>871.36</b>	<b>11.73</b>	<b>15.93</b>	<b>84.02</b>	<b>30.53</b>	<b>1,430.92</b>	<b>179.70</b>	<b>-</b>	<b>16.95</b>	<b>196.65</b>	<b>-</b>	<b>-</b>	<b>1,627.57</b>
Additions		-	16.10	10.27	191.49	-	-	-	6.68	224.54	-	-	-	-	-	-	224.54
Deletions / Adjustments		-	-	-	5.25	-	-	-	-	5.25	20.98	-	-	20.98	-	-	26.23
<b>As at March 31, 2017</b>	<b>6.99</b>	<b>136.13</b>	<b>211.12</b>	<b>89.47</b>	<b>1,057.59</b>	<b>11.73</b>	<b>15.93</b>	<b>84.02</b>	<b>37.22</b>	<b>1,650.20</b>	<b>158.72</b>	<b>-</b>	<b>16.95</b>	<b>175.67</b>	<b>-</b>	<b>-</b>	<b>1,825.87</b>
Additions		-	4.59	-	13.51	0.30	-	-	71.29	89.69	-	-	-	-	-	-	89.69
Deletions / Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at September 30, 2017</b>	<b>6.99</b>	<b>136.13</b>	<b>215.71</b>	<b>89.47</b>	<b>1,071.11</b>	<b>12.03</b>	<b>15.93</b>	<b>84.02</b>	<b>108.51</b>	<b>1,739.90</b>	<b>158.72</b>	<b>-</b>	<b>16.95</b>	<b>175.67</b>	<b>-</b>	<b>-</b>	<b>1,915.57</b>

Particulars	Tangible Assets										Intangible Assets				Capital Work in Progress Total (C)	Intangible Assets under Development Total (D)	Grand Total (A+B+C+D)
	Freehold Land	Leasehold Land	Factory Building	Office Building	Plant & Machinery	Computer	Office Equipments	Furniture & Fittings	Vehicle	Total (A)	Product Development	Web Site Development Charges	Minning Development Expenses	Total (B)			
<b>Accumulated Depreciation and Amortisation</b>																	
<b>As at April 1, 2012</b>		<b>10.51</b>	<b>5.13</b>	<b>1.90</b>	<b>27.07</b>	<b>2.74</b>	<b>0.64</b>	<b>2.11</b>	<b>8.62</b>	<b>58.72</b>	<b>78.60</b>	<b>0.34</b>	<b>-</b>	<b>78.94</b>	<b>-</b>	<b>-</b>	<b>137.66</b>
Additions		6.47	6.17	1.29	38.03	1.85	0.68	5.97	4.68	65.14	28.01	0.17	-	28.18	-	-	93.32
Deletions / Adjustments		-	-	-	1.11	0.19	-	-	3.67	4.97	-	-	-	-	-	-	4.97
<b>As at March 31, 2013</b>	<b>-</b>	<b>16.97</b>	<b>11.31</b>	<b>3.19</b>	<b>63.99</b>	<b>4.39</b>	<b>1.32</b>	<b>8.08</b>	<b>9.63</b>	<b>118.89</b>	<b>106.62</b>	<b>0.51</b>	<b>-</b>	<b>107.13</b>	<b>-</b>	<b>-</b>	<b>226.02</b>
Additions		6.47	6.48	1.29	33.20	1.76	0.76	5.96	3.69	59.61	18.80	0.17	2.55	21.52	-	-	81.13
Deletions / Adjustments		-	0.23	-	31.51	0.29	-	1.46	2.58	36.07	-	-	-	-	-	-	36.07
<b>As at March 31, 2014</b>	<b>-</b>	<b>23.44</b>	<b>17.55</b>	<b>4.48</b>	<b>65.69</b>	<b>5.86</b>	<b>2.08</b>	<b>12.58</b>	<b>10.74</b>	<b>142.42</b>	<b>125.41</b>	<b>0.68</b>	<b>2.55</b>	<b>128.64</b>	<b>-</b>	<b>-</b>	<b>271.06</b>
Additions		6.47	6.10	1.35	37.38	2.18	6.80	8.84	4.82	73.94	30.82	0.17	3.39	34.38	-	-	108.32
Deletions / Adjustments		-	-	-	3.93	(1.44)	-	-	0.43	2.92	122.33	0.85	-	123.18	-	-	126.10
<b>As at March 31, 2015</b>	<b>-</b>	<b>29.90</b>	<b>23.66</b>	<b>5.84</b>	<b>99.13</b>	<b>9.48</b>	<b>8.88</b>	<b>21.42</b>	<b>15.13</b>	<b>213.44</b>	<b>33.90</b>	<b>-</b>	<b>5.94</b>	<b>39.84</b>	<b>-</b>	<b>-</b>	<b>253.28</b>
Additions		6.47	6.14	1.35	41.60	0.93	3.74	8.84	4.24	73.31	12.56	-	3.39	15.95	-	-	89.26
Deletions / Adjustments		-	-	-	-	-	-	-	3.00	3.00	-	-	-	-	-	-	3.00
<b>As at March 31, 2016</b>	<b>-</b>	<b>36.37</b>	<b>29.80</b>	<b>7.19</b>	<b>140.73</b>	<b>10.41</b>	<b>12.62</b>	<b>30.26</b>	<b>16.38</b>	<b>283.76</b>	<b>46.46</b>	<b>-</b>	<b>9.33</b>	<b>55.79</b>	<b>-</b>	<b>-</b>	<b>339.55</b>
Additions		6.47	6.24	1.47	51.90	0.55	2.05	8.84	4.40	81.92	33.76	-	3.39	37.15	-	-	119.07
Deletions / Adjustments		-	-	-	1.22	-	-	-	-	1.22	20.98	-	-	20.98	-	-	22.20
<b>As at March 31, 2017</b>	<b>-</b>	<b>42.84</b>	<b>36.04</b>	<b>8.65</b>	<b>191.41</b>	<b>10.96</b>	<b>14.68</b>	<b>39.09</b>	<b>20.77</b>	<b>364.44</b>	<b>59.24</b>	<b>-</b>	<b>12.73</b>	<b>71.97</b>	<b>-</b>	<b>-</b>	<b>436.41</b>
Additions		3.24	3.35	0.76	26.65	0.11	0.33	4.43	3.85	42.72	15.05	-	1.69	16.74	-	-	59.46
Deletions / Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at September 30, 2017</b>	<b>-</b>	<b>46.08</b>	<b>39.39</b>	<b>9.41</b>	<b>218.06</b>	<b>11.07</b>	<b>15.01</b>	<b>43.52</b>	<b>24.63</b>	<b>407.17</b>	<b>74.29</b>	<b>-</b>	<b>14.42</b>	<b>88.71</b>	<b>-</b>	<b>-</b>	<b>495.88</b>



Particulars	Tangible Assets										Intangible Assets				Capital Work in Progress Total (C)	Intangible Assets under Development Total (D)	Grand Total (A+B+C+D)
	Freehold Land	Leasehold Land	Factory Building	Office Building	Plant & Machinery	Computer	Office Equipments	Furniture & Fittings	Vehicle	Total (A)	Product Development	Web Site Development Charges	Minining Development Expenses	Total (B)			
<b>NET BLOCK</b>																	
<b>As at March 31, 2013</b>	6.99	119.16	185.98	76.02	816.97	7.19	14.61	88.11	31.91	1,346.94	72.21	0.34	-	72.55	24.35	26.47	<b>1,470.31</b>
<b>As at March 31, 2014</b>	6.99	112.69	175.93	74.72	583.84	5.50	13.85	71.44	25.91	1,070.87	56.83	0.17	14.40	71.40		7.78	<b>1,150.05</b>
<b>As at March 31, 2015</b>	6.99	106.22	171.36	73.37	529.02	1.89	7.05	62.60	21.07	979.57	28.50	-	11.01	39.51		5.24	<b>1,024.32</b>
<b>As at March 31, 2016</b>	6.99	99.76	165.22	72.02	730.63	1.31	3.30	53.77	14.16	1,147.16	133.24	-	7.62	140.86	181.02	5.24	<b>1,474.28</b>
<b>As at March 31, 2017</b>	6.99	93.29	175.08	80.82	866.18	0.77	1.25	44.93	16.44	1,285.75	99.48	-	4.23	103.71		5.24	<b>1,394.70</b>
<b>As at September 30, 2017</b>	6.99	90.05	176.32	80.06	853.05	0.96	0.92	40.50	83.88	1,332.73	84.43	-	2.54	86.97		5.24	<b>1,424.94</b>

**ANNEXURE - XVII Restated Statement of Non-Current Investment:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
<b>Other Investment (Unquoted Non Trade)</b>						
Investments in Government or Trust securities National Savings Certificate Maturity Date 19/06/2015 (Lodged with Sales tax Authorities)	0.23	0.23	0.23	0.23	0.23	0.23
<b>Total</b>	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XVIII Restated Statement of Long Term Loans and Advance:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
<b>Unsecured, considered good</b>						
Capital Advances	-	-	9.68	175.41	141.86	183.11
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9.68</b>	<b>175.41</b>	<b>141.86</b>	<b>183.11</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XIX Restated Statement of Other non-current Assets:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
Interest Accrued but not due	2.75	1.68	1.62	1.81	1.64	1.84
<b>Non-Current Bank Balances :</b>						
Fixed Deposits	-	-	-	2.44	1.31	-
(Statutory liquid reserve maintained under section 73 of Companies Act, 2013)						
Balance held as margin money against guarantee and Letter of Credit	-	-	0.26	0.17	0.64	-
Unamortized expenses	-	-	-	-	-	-
<b>Total</b>	<b>2.75</b>	<b>1.68</b>	<b>1.88</b>	<b>4.42</b>	<b>3.59</b>	<b>1.84</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XX Restated Statement of Inventories:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
<b>A. Classification of Inventories :</b>						
Raw Materials	556.57	570.67	424.37	139.71	169.84	142.18
Finished Goods	211.30	173.68	108.31	75.57	64.99	168.73
Stores and Spares	106.71	84.22	43.45	3.99	3.40	5.51
Stock-in-Trade	18.57	14.33	30.37	44.91	59.99	3.90
<b>Total</b>	<b>893.15</b>	<b>842.90</b>	<b>606.50</b>	<b>264.18</b>	<b>298.22</b>	<b>320.32</b>

(a) Refer Annexure V (III)(k) of Significant Accounting Policies for Basis of valuation

(b) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(c) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXI Restated Statement of Trade Receivable:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
Outstanding for a period exceeding six months from the date they are due for payment						
Unsecured, considered good	7.62	38.49	14.54	2.76	4.10	10.98
Unsecured, considered doubtful	24.45	28.93	23.34	21.56	14.94	14.26
Less : Provision for doubtful debts	24.45	28.93	23.34	21.56	14.94	14.26
	<b>7.62</b>	<b>38.49</b>	<b>14.54</b>	<b>2.76</b>	<b>4.10</b>	<b>10.98</b>
<b>Other trade receivables</b>						
Unsecured considered good	755.88	720.84	386.36	398.40	277.89	321.52
Unsecured considered good (Debts due from Holding Company)	29.10	18.39	-	-	126.34	111.73
<b>Total</b>	<b>792.60</b>	<b>777.72</b>	<b>400.90</b>	<b>401.16</b>	<b>408.33</b>	<b>444.23</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXII Restated Statement of Cash and Bank Balance:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
<b>Cash and Cash Equivalents</b>						
Balances with Banks	100.74	1.15	2.85	2.17	2.59	4.95
Cash on Hand	0.08	0.09	0.09	-	0.07	0.09
<b>Other Bank Balances</b>						
Fixed Deposits	29.50	29.50	21.00	34.11	32.48	24.15
(Statutory liquid reserve maintained under section 73 of Companies Act, 2013)						
Balance held as margin money against guarantee and Letter of Credit	0.30	0.30	0.24	7.67	0.87	4.15
<b>Total</b>	<b>130.62</b>	<b>31.04</b>	<b>24.18</b>	<b>43.95</b>	<b>36.01</b>	<b>33.34</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXIII Restated Statement of Short Term and Loans and Advances:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
<b>(Unsecured, Considered Good)</b>						
Loans and advances to related parties	-	-	-	83.94	85.39	79.02
Balance with Government Authorities	4.41	29.79	23.89	23.63	43.37	19.92
Advance payment of Tax (Net of provisions)	-	8.98	6.67	48.75	65.04	41.34
MAT Credit Entitlement	14.14	24.10	41.43	41.43	14.91	14.91
Advances to Suppliers	20.84	18.58	38.04	24.06	11.94	13.86
Security Deposits	0.85	1.15	1.70	0.90	5.01	34.40
Advances to employees	0.98	0.71	0.53	0.08	0.41	0.52
Inter Corporate Deposits	127.36	133.82	128.10	451.41	410.07	356.92
<b>Total</b>	<b>168.58</b>	<b>217.13</b>	<b>240.36</b>	<b>674.20</b>	<b>636.14</b>	<b>560.89</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXIV Restated Statement of other Current Assets:****(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>As at 30 Sep.2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
Prepaid Expenses	6.24	2.71	2.22	2.09	1.22	3.16
Gratuity fund (Net of obligation)	.00	.00	1.13	2.47	3.63	1.23
20 Nano Group Gratuity Trust	.20	.20	.20	.10	.10	.00
Sales Tax Payment Against Appeal	5.65	5.65	5.65	.00	.00	.00
<b>Total</b>	<b>12.09</b>	<b>8.56</b>	<b>9.20</b>	<b>4.66</b>	<b>4.95</b>	<b>4.39</b>

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXV Restated Statement of Revenue from Operations:**
**(Amount in ₹ Lacs)**

<b>Particulars</b>	<b>For Six Months Period ended September 30, 2017</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2013</b>
<b>Sale of Products :</b>						
Sale of Products - Domestic	2,042.56	3,271.41	2,420.86	2,455.36	1,871.57	2,761.44
Sale of Products - Export	94.02	243.69	173.04	266.03	271.23	20.17
	<b>2,136.58</b>	<b>3,515.10</b>	<b>2,593.90</b>	<b>2,721.39</b>	<b>2,142.80</b>	<b>2,781.61</b>
Less : Excise Duty	216.95	263.40	203.25	178.22	176.53	159.35
<b>Total</b>	<b>1,919.63</b>	<b>3,251.70</b>	<b>2,390.65</b>	<b>2,543.17</b>	<b>1,966.27</b>	<b>2,622.26</b>
<b>Revenue from Services Rendered :</b>						
Product Development Income	-	-	-	37.34	52.42	44.00
Professional and Consultancy Services	-	-	-	-	50.00	24.90
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.34</b>	<b>102.42</b>	<b>68.90</b>
<b>Total</b>	<b>1,919.63</b>	<b>3,251.70</b>	<b>2,390.65</b>	<b>2,580.51</b>	<b>2,068.69</b>	<b>2,691.16</b>
<b>Details of Sales :</b>						
a. Processed Minerals	1,836.79	3,061.38	2,149.52	1,883.08	1,737.00	1,822.18
b. Traded Goods- Minerals	82.84	190.32	241.13	660.09	229.27	800.08
<b>Total</b>	<b>1,919.63</b>	<b>3,251.70</b>	<b>2,390.65</b>	<b>2,543.17</b>	<b>1,966.27</b>	<b>2,622.26</b>

(a) The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXVI Restated Statement of Other Income:**

(Amount in ₹ Lacs)

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	Recurring / Non-recurring	Related / Non related business activities
Interest Received	9.92	20.51	48.21	62.01	74.26	92.32	Recurring	Not Related
Remission of Credit Balances	0.09	1.29	(0.45)	1.20	11.76	5.15	Non-Recurring	Related
Insurance Claim Received	-	0.44	0.36	-	0.67	-	Non-Recurring	Related
Provision for Doubtful Debts Written Back	-	0.34	-	-	4.42	8.78	Non-Recurring	Related
Foreign Exchange Gain (Net)	-	-	1.31	3.29	-	0.40	Non-Recurring	Related
Profit on Sale of Assets (Net)	-	0.41	-	2.29	14.68	-	Non-Recurring	Not Related
Rent Income	9.30	29.30	48.60	53.60	78.60	52.60	Recurring	Not Related
Other Non-operating Income	0.37	4.27	1.32	4.82	1.40	15.05	Non-Recurring	Not Related
<b>Total</b>	<b>19.68</b>	<b>56.56</b>	<b>99.35</b>	<b>127.21</b>	<b>185.79</b>	<b>174.30</b>		

(a) The classification of other income as recurring/ non-recurring and related/not related to business activity is based on the current operations and business activity of the Company as determined by the management.

(b) The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

(c) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXVII Restated Statement of Cost of Material Consumed:**

(Amount in ₹ Lacs)

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>(a) Raw Materials and Packing Materials :</b>						
Inventories at the beginning of the period	554.08	404.74	122.36	101.52	111.48	241.73
Add : Purchases (incl. direct expenses)	971.46	1,682.07	1,475.23	1,208.41	982.14	902.86
	<b>1,525.54</b>	<b>2,086.81</b>	<b>1,597.59</b>	<b>1,309.93</b>	<b>1,093.62</b>	<b>1,144.59</b>
Less : Inventories at the end of the period	555.74	554.08	404.74	122.36	101.52	111.48
<b>Total (a)</b>	<b>969.80</b>	<b>1,532.73</b>	<b>1,192.85</b>	<b>1,187.57</b>	<b>992.10</b>	<b>1,033.11</b>
<b>(b) Mining Material</b>						
Inventories at the beginning of the period	16.59	19.63	17.35	68.32	30.70	30.70
Add : Cost of extraction	66.21	192.11	130.43	88.44	74.19	-
	82.80	211.74	147.78	156.76	104.89	30.70
Less : Inventories at the end of the period	0.84	16.59	19.63	17.35	68.32	30.70
<b>Total (b)</b>	<b>81.96</b>	<b>195.15</b>	<b>128.15</b>	<b>139.41</b>	<b>36.57</b>	<b>-</b>
<b>Total (a) + (b)</b>	<b>1,051.76</b>	<b>1,727.88</b>	<b>1,321.00</b>	<b>1,326.98</b>	<b>1,028.67</b>	<b>1,033.11</b>

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
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**Details of Consumption of Materials:**

Minerals	616.66	883.17	666.35	676.05	438.67	680.33
Packing Material & Others	56.20	73.87	22.54	20.32	20.41	55.87
Additives	296.94	575.69	503.96	491.20	533.01	296.91
Mining Materials	81.96	195.15	128.15	139.41	36.58	-
<b>Total</b>	<b>1,051.76</b>	<b>1,727.88</b>	<b>1,321.00</b>	<b>1,326.98</b>	<b>1,028.67</b>	<b>1,033.11</b>

(a) The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXVIII Restated Statement of Purchase of Stock In Trade:**

(Amount in ₹ Lacs)

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Minerals	63.37	94.57	158.34	496.86	210.87	392.83
<b>Total</b>	<b>63.37</b>	<b>94.57</b>	<b>158.34</b>	<b>496.86</b>	<b>210.87</b>	<b>392.83</b>

(a) The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXIX Restated Statement of Change in Inventories of Finished Goods, Work in Progress and Stock in Trade:**

(Amount in ₹ Lacs)

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
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**Inventories at the end of the period**

Finished goods	211.30	173.68	108.31	75.57	64.99	168.73
Stock-in-trade	18.57	14.33	30.37	44.91	59.99	3.91
<b>Total (A)</b>	<b>229.87</b>	<b>188.01</b>	<b>138.68</b>	<b>120.48</b>	<b>124.98</b>	<b>172.64</b>

Less :

**Inventories at the beginning of the period**

Finished goods	173.68	108.31	75.57	64.99	168.73	128.33
Stock-in-trade	14.33	30.37	44.91	59.99	3.91	50.99
<b>Total (B)</b>	<b>188.01</b>	<b>138.68</b>	<b>120.48</b>	<b>124.98</b>	<b>172.64</b>	<b>179.32</b>

**(Increase) / decrease in inventory of finished goods and traded goods (B-A)**

(41.86) (49.33) (18.20) 4.50 47.66 6.68

(a) The figures disclosed above are based on the restated summary statement of profit and loss of the Company.



(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXX Restated Statement of Employee Benefits Expense:**

(Amount in ₹ Lacs)

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and Wages	151.30	244.37	170.97	85.73	95.80	233.00
Managerial Remuneration	2.11	-	-	-	-	-
Contribution to Provident and Other funds	3.92	6.85	5.26	2.46	2.43	9.89
Staff welfare expenses	1.26	3.13	3.08	1.03	1.86	2.90
<b>Total</b>	<b>158.59</b>	<b>254.35</b>	<b>179.31</b>	<b>89.22</b>	<b>100.09</b>	<b>245.79</b>

(a) The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXXI Restated Statement of Finance Cost:**

(Amount in ₹ Lacs)

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest to						
- Bank	22.37	66.23	72.74	94.24	121.77	166.47
- Others	17.53	30.53	47.85	61.70	66.28	48.66
Other Finance Costs	1.94	3.40	7.15	6.11	4.68	1.52
<b>Total</b>	<b>41.84</b>	<b>100.16</b>	<b>127.74</b>	<b>162.05</b>	<b>192.73</b>	<b>216.65</b>

(a) The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXXII Restated Statement of Other Expenses**

(Amount in ₹ Lacs)

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>(a) Other Manufacturing Expenses</b>						
Consumption of Stores and spare parts	7.13	13.44	13.14	5.83	7.97	11.77
Power and fuel	122.93	221.32	102.80	41.17	135.09	134.93
Rent	38.00	126.00	50.98	9.52	24.58	45.30
Repairs to Buildings	0.11	0.12	0.69	0.11	2.27	0.30
Repairs to Plant and Machinery	13.64	25.59	27.46	7.06	22.45	21.55
Other manufacturing and Factory Expenses	8.92	46.36	25.76	15.68	15.64	25.21

Particulars	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>(b) Administrative and Other Expenses</b>						
Payments to Auditors (refer note no. 35)	0.60	1.00	1.00	1.00	1.12	1.12
Bad Debts	-	0.34	-	0.10	6.21	5.33
Company's Professional Tax	0.02	0.02	0.02	0.02	0.02	0.02
Directors sitting fees	1.60	2.34	0.68	0.57	0.35	0.98
Foreign Exchange Loss (Net)	0.43	1.49	-	-	1.24	-
Insurance	2.50	4.95	7.04	3.86	5.19	3.92
Legal, License & Renewal Expenses	1.19	0.37	1.34	1.42	0.41	0.43
Loss on sale of assets (Net)	-	-	1.22	-	-	1.74
Office Electric Expenses	1.20	3.11	4.40	1.42	1.31	1.41
Office Expenses	0.36	0.92	1.55	0.12	0.95	2.47
Pooja or Temple Expenses	1.13	2.39	1.36	0.68	0.90	0.35
Printing and Stationery	1.27	2.36	1.78	1.31	1.20	2.43
Professional Fees	10.36	12.33	13.49	7.06	24.49	36.65
Provision for Bad Debts	-	2.65	3.64	8.38	8.07	12.08
Remission of Debit Balance	-	-	1.19	0.53	0.04	0.18
TDS Expenses	-	-	-	-	-	(0.01)
Travelling & Conveyance	14.48	34.65	28.82	23.10	19.32	33.23
Vehicle Running & Maintenance	2.75	3.96	4.73	4.25	4.89	5.36
Prior Period Expenses (Net)						
Royalty Paid	37.80	65.79	49.28	-	-	-
Miscellaneous Expenses	12.72	41.15	18.97	3.90	5.60	11.47
<b>(c) Research and Development Expenses</b>						
	0.06	0.73	1.27	31.64	43.02	46.49
<b>(d) Marketing, Selling &amp; Distribution Expenses :</b>						
Discount and Commission	21.30	23.06	24.94	9.95	11.12	6.32
Sales Promotion Expenses	16.94	10.44	5.65	16.07	12.13	4.46
Sales Exhibition Expenses	-	-	-	1.70	-	0.96
Godown Expenses	1.18	4.61	5.35	5.17	8.62	8.99
Export Expenses	2.96	10.66	5.95	10.62	10.80	0.94
Freight outward- Export Sales	6.26	7.25	5.52	13.17	17.83	1.85
Other Selling Expenses	0.14	0.08	5.75	3.38	2.57	11.67
Freight outward- Local sales	72.87	130.81	78.01	132.72	74.45	424.75
<b>Total</b>	<b>400.85</b>	<b>800.29</b>	<b>493.78</b>	<b>361.51</b>	<b>469.85</b>	<b>864.65</b>

(Amount in ₹ Lacs)

<b>(a) Payments to Auditors (excluding service tax):</b>						
<b>Particulars</b>	<b>For the Period ended on September 30, 2017</b>	<b>For the Year ended on March 31, 2017</b>	<b>For the Year ended on March 31, 2016</b>	<b>For the Year ended on March 31, 2015</b>	<b>For the Year ended on March 31, 2014</b>	<b>For the Year ended on March 31, 2013</b>
As Auditor	0.60	1.00	1.00	1.00	1.00	1.00
Statutory Audit Fees						
As Advisors						
For taxation matters	-	-	0.35	0.35	0.35	-
Other reimbursement	-	-	-	-	-	0.06
Certification work	-	-	-	-	-	0.87
<b>Total</b>	<b>0.60</b>	<b>1.00</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.93</b>

(a) The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

**ANNEXURE - XXXIII Restated Statement of Accounting Ratios:**

(Amount in ₹ Lacs)

Particulars	As at Septem ber 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Basic earnings per share [Refer Note (a)(i) below]	1.48	2.43	1.46	2.47	(0.20)	(0.45)
Diluted earnings per share [Refer Note (a)(ii) below]	1.48	2.43	1.45	2.43	(0.17)	(0.45)
Return on net worth [Refer Note (a)(iii) below]	6.90%	9.70%	8.78%	17.12%	-1.68%	-3.71%
Net asset value per equity share [Refer Note (a)(iv) below]	21.45	20.09	15.87	14.44	11.99	12.20
Net profit/(loss) after tax, as restated, attributable to equity shareholders	132.75	174.82	90.18	149.58	(12.17)	(27.40)
Net worth at the end of the year	1,924.09	1,801.84	1,027.02	873.83	725.69	737.86
Number of equity shares outstanding at the end of the year	89.70	89.70	64.70	60.50	60.50	60.50
Weighted average number of equity shares outstanding during the year, used for Basic earnings per share	89.70	70.12	62.05	60.50	60.50	60.50
Effect of dilution:						
Convertible debentures				2.2	1.10	
Weighted average number of equity shares outstanding during the year, used for Diluted earnings per share	89.70	70.12	62.05	62.70	61.60	60.50
Face value per share [Refer Note (b) below]	10	10	10	10	10	10

Notes:

(a) Ratios have been computed as per the following formulas :

(i) Basic earnings per share (Rs.)	=	<u>Net Profit/(loss) after tax, as restated, attributable to equity shareholders</u>
		<u>Weighted average number of equity shares outstanding during the year</u>
Earning per equity share for the six months period ended on September 30, 2017 is not annualised.		
(ii) Diluted earnings per share (Rs.)	=	<u>Net Profit/(loss) after tax, as restated, attributable to equity shareholders</u>
		<u>Weighted average number of diluted equity shares outstanding during the year</u>
Earning per equity share for the six months period ended on September 30, 2017 is not annualised.		
(iii) Return of net worth (%)	=	<u>Net Profit/(loss) after tax, as restated, attributable to equity shareholders</u>
		<u>Net worth at the end of the year</u>
(iv) Net asset value per equity share (Rs.)		<u>Net worth at the end of the year</u>
	=	<u>Total number of equity shares outstanding at the end of year</u>

**ANNEXURE - XXXIV Restated Statement of Capitalisation:**

(Amount in ₹ Lacs)

Particulars	As at September 30, 2017	As adjusted for issue*
Debt		
I. Short term borrowings	540.2	
II. Long term borrowings	239.72	
<b>III. Total borrowings (I+II)</b>	<b>779.92</b>	
<b>Shareholders' funds</b>		
Share capital	897	
Reserves and surplus, as restated		
Capital reserve	-	
Securities premium account	360.5	
Surplus in the statement of profit and loss	666.59	
<b>IV. Total Shareholders' funds</b>	<b>1924.09</b>	
<b>Long term debt equity (II/IV)</b>	<b>0.12</b>	
<b>Total Debt/Equity (III/IV)</b>	<b>0.41</b>	

\* Will be inserted at the time of Prospectus

(a) Long term debt / equity has been computed as =	<u>Long term borrowings</u>
	Total shareholders' funds

(b) Total debt / equity has been computed as=	<u>Total borrowings</u>
	Total shareholders' funds

(c) Short term borrowings represents borrowings due within 12 months from the balance sheet date.

(d) Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.

(e) The figures disclosed above are based on the restated summary statement of assets and liabilities and profits and losses of the Company.

(f) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVIII.

[1] Post issue capitalisation will be determined after finalization of issue price.

**ANNEXURE - XXXV Restated Tax Shelter Statement:**

		(Amount in ₹ Lacs)					
	Particulates	For Six Months Period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
I.	Restated Profit Before Tax	205.29	261.26	138.76	158.28	4.18	12.43
II.	Tax Rate	33.06%	33.06%	33.06%	30.90%	30.90%	30.90%
III.	Tax thereon at above Rate ( I*II)	67.88	86.38	45.88	48.91	1.29	3.84
IV	<b>Permanent Differences</b>	-	-				
	Interest on TDS	-	-	-	0.02	0.03	0.03
	Fines	-	0.25	0.01	-	-	0.10
	Remission of Debit Balance	-	-	1.19	0.53	0.04	0.18
	Loss on Sales of Assets	-	-	1.22	-	3.38	5.16
	Profit on Sales of Assets	-	(0.41)	-	(2.29)	(18.06)	(3.42)
	Donation	1.00	-	0.01	-	-	-
	<b>Total of Permanent Differences</b>	1.00	(0.15)	2.43	(1.74)	(14.61)	2.04
V	<b>Timing Differences</b>		-				
	Difference between Deprecation	(3.32)	(82.64)	(34.59)	34.48	(13.20)	(62.19)
	Provision for Bad Debts	-	2.31	3.64	8.28	1.86	6.75
	Product Development Expenses	-	-	-	(2.50)	(3.42)	(31.50)
	Share issue expense	-	-	-	(1.60)	(1.60)	(1.60)
	Effect Due to disallowance u/s 43B	-	0.15	-	(0.75)	(1.13)	(1.12)
	Gratuity	2.36	1.80	1.34	-	-	0.70
	Bad Debts Witten Off	-	-	-	-	-	-
	<b>Total of Timing Differences</b>	<b>(0.96)</b>	<b>(78.38)</b>	<b>(29.61)</b>	<b>37.91</b>	<b>(17.49)</b>	<b>(88.96)</b>
VI	Total Amount of Adjustments (IV + V)	0.04	(78.54)	(27.18)	36.17	(32.10)	(86.92)
VII	Tax on Adjustments (VI*II)	0.01	(25.97)	(8.99)	11.18	(9.92)	(26.86)
VIII	Tax for the Year (III + VI)	67.89	60.42	36.89	60.09	(8.63)	(23.02)
IX	Tax adjustment on account of unabsorbed deprecation				(42.80)	8.49	22.03
X	Normal Tax Provision (VIII + IX)	67.89	60.42	36.89	17.28	(0.14)	(0.99)
XI	Tax liability under MAT	41.86	53.74	29.03	31.74	1.15	3.65
XII	<b>Provision for Tax (Highest of X and XI)</b>	<b>67.89</b>	<b>60.42</b>	<b>36.89</b>	<b>31.74</b>	<b>1.15</b>	<b>3.65</b>
	<b>Total Tax expenses as per restated statement of profit and loss</b>	<b>67.89</b>	<b>60.42</b>	<b>36.89</b>	<b>31.74</b>	<b>1.15</b>	<b>3.65</b>

**ANNEXURE - XXXVI Restated Statement of Dividend Declared and Paid:**

(Amount in ₹ Lacs)

<b>Particulars</b>	<b>For Six Months Period ended September 30, 2017</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2013</b>
Issued Number of Shares	89.7	89.7	64.7	60.5	60.5	60.5
Face Value Per Share	10	10	10	10	10	10
Rate of Dividend	0	0	0	0	0	0
Amount of Dividend per Share	0	0	0	0	0	0
Total amount of Dividend	0	0	0	0	0	0
Total Dividend Tax	0	0	0	0	0	0

**Notes:**

(a) The figures disclosed above are based on the restated summary statement of assets and liabilities and profits and losses of the Company.

(b) The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cashflows as appearing in Annexure IV, V and XXXVII.

(c) The Board of Directors of the Company has, at its meeting held on October 13, 2017, declared interim dividend of Rs. 1/- per Equity Share aggregating to Rs. 89.70/- Lacs out of the profits of our Company for the period six months ended September, 2017 to the shareholders of our Company whose names appeared in the register of members on October 13, 2017.

Except for the abovementioned interim dividend, the Company has not declared any dividend during preceding five financial years and six months period ended September 30, 2017.

## ANNEXURE – XXXVII

### Notes to Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash Flow:

#### 1. Contingent liabilities not provided for:

Particulars	(Amount in ₹ Lacs)					
	As at Septem ber 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>1. Contingent Liabilities</b>						
Bank Guarantees	3.68	3.68	5.68	19.30	6.11	7.11
Provident Fund Liability	-	-	2.98	2.98	2.98	2.98
Demand of Income Tax (A.Y.2009-10)	0.05	0.05	-	-	-	-
Demand of Income Tax (A.Y.2012-13)	0.62	0.60	-	-	-	-
Demand of Income Tax	-	0.10	0.65	0.61	-	-
Demand by Asst. Comm Commer.Tax 2010-11	19.05	19.05	19.05	19.05	-	-
Demand by Assessing Officer A.Y 2012-13	5.71	5.71	5.71	5.71	-	-
Liability in respect of Central Sales Tax on inter-state sales made against 'C' Forms. This is on account of non-receipt of said forms at the end of the financial year 2015-16	-	-	12.66	53.14	-	-
<b>2. Commitments</b>	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for.	-	-	97.89	166.96	208.75	190.59
<b>Total</b>	<b>29.11</b>	<b>29.19</b>	<b>144.62</b>	<b>267.75</b>	<b>217.84</b>	<b>200.68</b>



## ANNEXURE – XXXVII

### Notes to Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash Flow:

#### 2. Consumption of Imported and Indigenous Raw Material, Packing Material and Stores & Spares:

(Amount in ₹ Lacs)

Particulars	For the period April 2017 to September 2017		For FY 2016-17		For FY 2015-16		For FY 2014-15		For FY 2013-14		For FY 2012-13	
	Amount in ₹	%	Amount in ₹	%	Amount in ₹	%	Amount in ₹	%	Amount in ₹	%	Amount in ₹	%
<b>Raw Materials &amp; Packing Materials:</b>												
Indigenous	939.90	89%	1,491.31	86%	1,155.92	88%	1,207.92	86%	918.52	89%	947.84	92%
Imported	111.87	11%	236.58	14%	165.07	12%	119.05	14%	110.16	11%	85.27	8%
									1,028.6			
<b>Total</b>	<b>1,051.77</b>	<b>100.00%</b>	<b>1,727.89</b>	<b>100.00%</b>	<b>1,320.99</b>	<b>100.00%</b>	<b>1,326.97</b>	<b>100.00%</b>	<b>8</b>	<b>100.00%</b>	<b>1,033.11</b>	<b>100.00%</b>
<b>Stores and Spares:</b>												
Indigenous	6.23	87%	10.57	79%	12.23	93%	3.85	79%	6.39	80%	11.77	100%
Imported	0.89	13%	2.87	21%	0.91	7%	1.99	21%	1.58	20%	-	0%
<b>Total</b>	<b>7.12</b>	<b>100.00%</b>	<b>13.44</b>	<b>100.00%</b>	<b>13.14</b>	<b>100.00%</b>	<b>5.84</b>	<b>100.00%</b>	<b>7.97</b>	<b>100.00%</b>	<b>11.77</b>	<b>100.00%</b>

## ANNEXURE - XXXVII

### Notes to Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash Flow:

#### 3. CIF Value of Imports:

(Amount in ₹ Lacs)

Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Raw Materials	53.40	211.82	172.61	93.06	101.41	55.12
Machinery Spares	-	7.43	0.92	-	-	-
Capital Goods	-	-	130.01	-	-	-
<b>Total</b>	<b>53.40</b>	<b>219.25</b>	<b>303.54</b>	<b>93.06</b>	<b>101.41</b>	<b>55.12</b>

**4. Expenditure in Foreign Currency:**

(Amount in ₹ Lacs)

Particulars	As at Septemb er 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Travelling	-	2.86	-	-	-	0.80
Analysis Charges	-	-	-	-	10.95	15.10
Export Sales Commission	-	-	-	-	0.75	-
<b>Total</b>	-	<b>2.86</b>	-	-	<b>11.70</b>	<b>15.90</b>

**5. Earnings in Foreign Exchange:**

(Amount in ₹ Lacs)

Particulars	As at Septemb er 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Exports-FOB	91.44	235.95	168.62	253.30	254.53	17.87
Freight & Insurance	2.58	7.74	4.42	12.73	16.70	2.30
<b>Total</b>	<b>94.02</b>	<b>243.69</b>	<b>173.04</b>	<b>266.03</b>	<b>271.23</b>	<b>20.17</b>

**6. Leases****a. Expenses**

The company has obtained part of building and Plant and Machinery for its business operations under leave and license agreement. These are generally not non-cancellable lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.

(Amount in ₹ Lacs)

Particulars	Sep.30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Rent Expenses	38.00	126.00	50.98	9.52	24.58	45.30

**b. Income**

(Amount in ₹ Lacs)

Particulars	Sep.30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Rent Income	9.30	29.30	48.60	53.60	78.60	52.60

**ANNEXURE - XXXVII****Notes to Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash Flow :****7. Employee Benefits****i) Defined contribution plans**

The Company has recognized up to September 30, 2017 ₹ 3.92/- Lacs , Year 2016-17 ₹ 6.85/- Lacs , Year 2015-16 ₹ 5.26/- Lacs , Year 14-15 ₹ 2.46/- Lacs, Year 2013-14 ₹ 2.43/- Lacs, Year 2012-13 ₹ 9.88/- Lacs for Provident Fund Contribution as expenses under the defined contribution plan in the Statement of Profit and Loss.

**ii) Defined benefit plan**

The Company recognizes the liability towards the gratuity at each balance sheet date.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at September 30, 2017 by an actuary. The present value of the defined benefit obligations and the related current service cost and past

service cost, were measured using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements:

(Amount in ₹ Lacs)						
Particulars	Gratuity Funded					
	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Reconciliation in present value of obligations (PVO) – defined benefit obligation :</b>						
Current Service Cost	1.07	1.59	1.38	0.68	0.62	1.96
Interest Cost	0.26	0.35	0.25	0.17	0.31	0.24
Actuarial (gain) / losses	1.25	0.31	0.19	0.80	(2.88)	(1.14)
Benefits paid	(0.20)	-	(0.46)	(0.35)	-	-
PVO at the beginning of the year	6.79	4.54	3.18	1.88	3.83	2.77
PVO at end of the year	<b>9.17</b>	<b>6.79</b>	<b>4.54</b>	<b>3.18</b>	<b>1.88</b>	<b>3.83</b>
<b>Reconciliation of the fair value of plan assets :</b>						
Expected return on plan assets	0.28	0.51	0.55	0.51	0.46	0.39
Adjustment of Opening Fund	-	-	-	-	-	(0.01)
Actuarial gain/(losses)	(0.05)	(0.06)	(0.08)	(0.02)	-	(0.02)
Contributions by the employer	-	-	-	-	-	0.75
Benefits paid	(0.20)	-	(0.46)	(0.35)	-	-
Fair value of plan assets at beginning of the year	6.12	5.67	5.65	5.52	5.06	3.96
Fair value of plan assets at end of the year	<b>6.15</b>	<b>6.12</b>	<b>5.66</b>	<b>5.66</b>	<b>5.52</b>	<b>5.07</b>
<b>Reconciliation of PVO and fair value of plan assets:</b>						
PVO at end of period	9.17	6.79	4.54	3.18	1.88	3.83
Fair Value of planned assets at end of year	6.15	6.12	5.67	5.65	5.52	5.06
Net (asset)/ liability recognized in the balance sheet	<b>3.02</b>	<b>0.67</b>	<b>(1.13)</b>	<b>(2.47)</b>	<b>(3.64)</b>	<b>(1.23)</b>
<b>Net cost for the year ended:</b>						
Current Service cost	1.07	1.59	1.38	0.68	0.62	1.96
Adjustment of the Opening Fund	-	-	-	-	-	0.01
Interest cost	0.26	0.35	0.25	0.17	0.31	0.24
Expected return on plan assets	(0.28)	(0.51)	(0.55)	(0.51)	(0.46)	(0.39)
Actuarial (gain) / losses	1.30	0.37	0.27	0.83	(2.88)	(1.12)
Net cost	<b>2.35</b>	<b>1.80</b>	<b>1.35</b>	<b>1.17</b>	<b>(2.41)</b>	<b>0.70</b>
<b>Assumption used in accounting for the gratuity plan:</b>						
Discount rate (%)	6.95%	7.90%	7.90%	7.80%	9.10%	8.20%
Salary escalation rate (%)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

**Experience adjustments: Up to September 30, 2017**

(Amount in ₹ Lacs)						
Particulars	Sep'17	2016-17	2015-16	2014-15	2013-14	2012-13
Experience adjustments on account of plan liabilities	0.37	(0.30)	(0.24)	(0.31)	2.64	1.27
Experience adjustments on account of plan assets	0.05	(0.05)	(0.07)	(0.02)	*	0.01

**Experience adjustments: Up to March 31, 2017**

(Amount in ₹ Lacs)						
Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	
Experience adjustments on account of plan liabilities	(0.30)	(0.24)	(0.31)	2.64	1.27	
Experience adjustments on account of plan assets	(0.05)	(0.08)	(0.02)	*	0.01	

**Experience adjustments: Up to March 31, 2016**

(Amount in ₹ Lacs)						
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	
Experience adjustments on account of plan liabilities	(0.24)	(0.31)	2.64	1.27	0.48	
Experience adjustments on account of plan assets	(0.08)	(0.02)	*	0.01	0.05	

**Experience adjustments: Up to March 31, 2015**

(Amount in ₹ Lacs)						
Particulars	2014-15	2013-14	2012-13	2011-12	2010-11	
Experience adjustments on account of plan liabilities	(0.31)	2.64	1.27	0.48	3.47	
Experience adjustments on account of plan assets	(0.02)	*	0.01	0.05	*	

**Experience adjustments: Up to March 31, 2014**

(Amount in ₹ Lacs)						
Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	
Experience adjustments on account of plan liabilities	2.64	1.27	0.48	3.47	*	
Experience adjustments on account of plan assets	*	0.01	0.05	*	*	

**Experience adjustments: Up to March 31, 2013**

(Amount in ₹ Lacs)						
Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	
Experience adjustments on account of plan liabilities	1.27	0.48	3.47	*	*	
Experience adjustments on account of plan assets	0.01	0.05	*	*	*	

\* In absence of availability, relevant information on the experience adjustment on plan liabilities has not been furnished above.

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**ANNEXURE - XXXVII****Notes to Restated Summary Statement of Assets and Liabilities, Profit and Losses and Cash Flow:**

8. Based on the information available with the company, the balance due to Micro and Small Enterprise as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is furnished hereunder: No interest during the year has been paid to Micro and Small enterprises on delayed payments. Further interest accrued and remaining un paid at the year end ₹ Nil (Previous Year ₹ NIL ) is not provided in the books as the management is of the opinion that in view of the terms and conditions of the contracts and based on the facts of the matter, the same is not required to be paid.

(Amount in ₹ Lacs)						
<b>Particulars</b>	<b>up to Sep'30, 2017</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Balance due to Micro and Small Enterprise	-	2.50	8.95	20.88	12.09	53.05
Payment Made to Supplier beyond the due date	2.89	21.78	50.32	63.51	90.96	106.97
Interest Paid on delay payment	-	-	-	-	-	-
Further interest accrued and remaining un paid	-	-	0.44	0.65	0.44	7.73

9. Particulars of Research and Development Expenditure incurred for the year are detailed as follows:

<b>Particulars</b>	<b>As at Septemb er 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Revenue Expenditure	0.06	0.73	1.27	31.64	43.02	46.49
Capital Expenditure	-	-	117.30	2.50	-	10.08
Intangible Assets under Development	-	-	-	-	-	3.42
<b>Total</b>	<b>0.06</b>	<b>0.73</b>	<b>118.57</b>	<b>34.14</b>	<b>43.02</b>	<b>59.99</b>

Note : Intangible assets under development amounting to Rs. 2.54 /- Lacs as on March 31, 2014 has been charged to revenue in FY 14.15

Note : Intangible assets under development amounting to Rs. 3.42/- Lacs as on March 31, 2013 has been capitalised in FY 13.14

10. The operations of the Company are limited to one segment, namely, Micronized Minerals.

11. Exceptional items:

Department of Geology and Mining, Government of Gujarat had carried out a satellite survey of the mines to ascertain state of mineral reserve of mines leased to various parties. Accordingly a survey was carried out of mines leased to Company. Based on survey , Department of Geology and mining has calculated estimated extraction of minerals from the date of its first allotment till the date of survey and compared the same with actual payment of royalty on extraction of minerals over the years by the company being existing lease holder. A discrepancy in quantity extracted was worked out by the Department of Geology and mining. As current lease holder the company, was called upon to pay the differential royalty with interest and penalty aggregating to ₹ 1,19,30,296/-. The company has contended that difference in quantity and consequent liability pertains to erstwhile lease holders period. However keeping business expediency in mind, the Company has paid the same.

12. The value of realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.
13. Balances of trade Receivable and trade Payable are subject to confirmation, reconciliation and consequential adjustment, if any.
14. Previous year figures have been regrouped, re-arranged or reclassified, wherever necessary to conform to this year's classification.

**For K M Swadia & Co.  
FRN - 110740W  
Chartered Accountants**

**For and on behalf of Board of Directors**

**CA. Pravin Panchiwala  
Partner  
M. No. - 127406**

**Chandresh S.Parikh  
Director**

**DIN-00041584**

**Atil C. Parikh  
Director**

**DIN-00041712**

**N.R. Patel  
Chief Financial  
Officer**

**Sagar Gandhi  
Company Secretary**

**M. No. A44519**

**Place : Vadodara**

**Date : December 30, 2017**

**Annexure XXXVIII Related Party Transaction****Disclosures as required by Accounting Standard -18 are given below:**

Name of Related Parties	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
	Nature of Relationship	Nature of Relationship	Nature of Relationship	Nature of Relationship	Nature of Relationship	Nature of Relationship
Shri. Chandresh Parikh	Directors-Key Management Personnel	Directors-Key Management Personnel	-	-	Key Management Personnel	Key Management Personnel
Shri. Rajesh Parikh	Directors-Key Management Personnel	Directors-Key Management Personnel	-	-	Key Management Personnel	Key Management Personnel
Shri. Sudhir Parikh	Directors-Key Management Personnel	Directors-Key Management Personnel	-	-	Key Management Personnel	Key Management Personnel
Shri. Atil Parikh	Directors-Key Management Personnel	Directors-Key Management Personnel	-	-	Key Management Personnel	Key Management Personnel
Shri L.R. Parikh	-	-	-	-	-	Relative of Key Management Personnel
20 Microns Limited	Holding Company	Holding Company	Holding Company	Holding Company	Holding Company	Holding Company
Eriez Industries Pvt Ltd	Director/s of the company are members in Eriez Industries Pvt Ltd	Director/s of the company are members in Eriez Industries Pvt Ltd	Director/s of the company are members in Eriez Industries Pvt Ltd	Enterprise over which significant influence exercised by Key Management Personnel	Enterprise over which significant influence exercised by Key Management Personnel	Enterprise over which significant influence exercised by Key Management Personnel
DMC Limited	-	-	-	Enterprise over which significant influence exercised by Key Management Personnel	Enterprise over which significant influence exercised by Key Management Personnel	Enterprise over which significant influence exercised by Key Management Personnel
Bruno Industrial Products Limited	-	-	-	-	Enterprise over which significant influence exercised by Key Management Personnel	Enterprise over which significant influence exercised by Key Management Personnel
Aric Infracon Private Limited	-	-	-	-	Enterprise over which significant influence exercised by Key Management Personnel	Enterprise over which significant influence exercised by Key Management Personnel

## Related Party Transactions

The following transactions were carried out with the Related Parties in ordinary course of business

(Amount in ₹ Lacs)																											
Nature of Transactions	30-Sep-17				31-Mar-17				31-Mar-16				31-Mar-15				31-Mar-14				31-Mar-13						
	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Relative of Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Relative of Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total					
Transactions during the year																											
Sales of Materials	-	134.21	-	134.21	-	222.21	-	222.21	-	131.10	-	131.10	-	-	228.30	-	228.30	-	-	309.76	-	309.76	-	-	624.38	31.87	656.24
Product Development Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41.95	-	41.95	-	-	58.90	-	58.90	-	-	49.44	-	49.44
Professional Fees for Technical Consultancy & Services for Specialised Plants & Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.11	1.01	11.12
Sale of																											



Nature of Transactions	30-Sep-17				31-Mar-17				31-Mar-16				31-Mar-15				31-Mar-14				31-Mar-13						
	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Relative of Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Relative of Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total					
Fixed Assets	-	-	-	-	-	4.53	-	4.53	-	-	-	-	-	-	38.72	-	38.72	-	-	431.46	-	431.46	-	75.87	-	75.87	
Service Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.22	20.22	-	-	4.62	42.18	46.79	
Service Provided	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.71	0.57	2.28		
Rent Paid	-	39.33	-	39.33	-	138.35	-	138.35	-	158.46	-	158.46	-	-	4.06	5.06	9.12	-	-	0.98	16.19	17.17	-	-	16.12	16.12	
Rent Received	-	9.84	-	9.84	-	31.77	-	31.77	-	52.69	-	52.69	-	-	52.40	-	52.40	-	-	52.40	-	52.40	-	-	35.16	-	35.16
Purchase of Goods	-	248.84	-	248.84	-	272.89	-	272.89	-	539.64	-	539.64	-	-	335.33	-	335.33	-	-	248.07	3.03	251.10	-	-	307.89	145.15	453.04
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.99	-	6.99	-	-	2.57	0.98	3.55	-	-	4.47	23.94	28.41
Royalty Paid	-	39.67	-	39.67	-	73.67	-	73.67	-	52.12	-	52.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Director Remuneration	2.11	-	-	2.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement of Expenses Paid (Net)	-	1.54	-	1.54	-	1.04	-	1.04	-	5.04	-	5.04	-	-	4.68	-	4.68	-	-	27.01	-	25.13	-	-	0.13	36.42	36.55
Reimbursement of Expenses Received (Net)	-	1.70	-	1.70	-	5.06	-	5.06	-	-	-	-	-	-	-	-	-	-	-	-	1.89	-	-	-	3.03	14.52	17.55

Nature of Transactions	30-Sep-17				31-Mar-17				31-Mar-16				31-Mar-15				31-Mar-14				31-Mar-13					
	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Relative of Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Relative of Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total				
Remuneration Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Debentures Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30.00	-	-	-	30.00			
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.30	-	3.30	1.65	-	-	0.66	2.30			
Director's Sitting Fees and Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	-	1.65	0.97	-	-	-	0.97			
Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-	8.79	8.79	-	-	11.66	11.66	-	-	-	9.63	9.63		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Balance as on March 31 :	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Issue of Equity Shares	-	-	-	-	-	600.00	-	600.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Trade Payables	-	-	-	-	-	-	-	-	-	394.66	-	394.66	-	-	(4.66)	-	(4.66)	-	-	-	(3.20)	(3.20)	-	12.06	12.06	
Other Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.48	-	-	-	1.48			
Trade Receivables	-	19.05	-	19.05	-	18.39	-	18.39	-	-	-	-	-	-	83.94	83.94	-	-	126.34	85.40	211.74	-	-	111.73	2.69	114.41

Nature of Transactions	30-Sep-17				31-Mar-17				31-Mar-16				31-Mar-15				31-Mar-14				31-Mar-13					
	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Relative of Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total	Key Management Personnel	Relative of Key Management Personnel	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total				
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76.33	76.33
Loan received back	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131.99	131.99
Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66.75	66.75
Loan Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66.75	66.75
Loan Advanced	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130.00	130.00

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial information as of and for the years ended March 31, 2013, 2014, 2015, 2016, 2017 and the six months period ended September 30, 2017 all prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Statements" on page 168 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the restated financial statements of our Company.*

*This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 17 and 15 respectively, of this Draft Red Herring Prospectus, respectively.*

*These financial statements have been prepared in accordance with Indian GAAP and the Companies Act. Indian GAAP differs in certain significant respects from U.S. GAAP, IFRS and Ind AS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS or Ind AS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the ICDR Regulations. Any reliance on the financial disclosure in this Draft Red Herring Prospectus, by persons not familiar with Indian Accounting Practices, should accordingly be limited.*

*References to the "Company", "we", "us" and "our" in this chapter refer to 20 Microns Nano Minerals Limited, as applicable in the relevant fiscal period, unless otherwise stated.*

### OVERVIEW OF OUR BUSINESS

Our Company is engaged in processing and selling of a wide range of Specialty Chemicals which primarily include (i) Functional Additives (FA) & (ii) Chemically Modified Minerals (CMM). Our Company is also engaged in processing and selling of (i) Soft Minerals (SM) & (ii) Hard Minerals (HM). Our products have a variety of applications and are used in industries such as paints & coatings, printing inks, plastics & polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical & pharmaceuticals, textile, oil-well drilling, filtration. Our Company is focused on innovative products catering to diversified industries and specializes in customized products, based on specific requirements of our customers.

Our Company is an ISO 9001: 2008 certified Company having Existing Facilities located at (i) Unit 1: Plot 9 – 10, GIDC Waghodia, Vadodara, Gujarat (ii) Unit 2: Plot 347 GIDC Waghodia, Vadodara, Gujarat and (iii) Unit 3: Plot 104/3, Thenkasi Road, Pathur Village, Alangulam, Tirunelveli, Tamil Nadu. Our company had an annual sale of processed mineral of 8,005 MT, 16,747 and 11,876 MT for the FY 2016, FY 2017 and the six month period ended September 30, 2017, respectively. Additionally, our company had an annual sale of mined minerals of 74,504 MT 99,781 MT and 36,477 as well as an annual sale of traded minerals of 7,967 MT 4,288 MT and 1,351 MT for the FY 2016, FY 2017 and the six month period ended September 30, 2017, respectively. Our Company owns the mining rights of "China Clay Mine" located at Survey Number 682, Near Village Nadappa, Taluka Bhuj, District Kutch, Gujarat, which has an estimated mining reserve of 13.42 million tonnes.

Our Company is a subsidiary of 20 Microns Limited, which is a known processor of non-metallic white industrial minerals, offering innovative products in the field of functional fillers, extenders and Specialty Chemicals. Our Company, through our Corporate Promoter 20 Microns Limited, has an established market presence in India and abroad for commercial distribution & technical assistance, through our network. We have a long term arrangement with our Corporate Promoter to market and sell our products through their network.

Our Promoter and Founder, Mr. Chandresh S. Parikh has around 35 years of experience in the field of functional fillers, extenders and Specialty Chemicals and has contributed to the growth of our business operations including product development through Research & Development. Mr. Chandresh S. Parikh is assisted by our other Individual Promoters, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh, in order to carry out functional responsibilities of our Company, by overseeing our manufacturing operations and our marketing activities.

Our Company has a DSIR approved, well-equipped research and development Center (“R&D Center”) located at Plot 11, GIDC Waghodia, Vadodara, Gujarat, comprising an area of approximately 1,000 square meters. The R & D Center continuously carries out product and process development activities for enhancing product quality, improving operational efficiencies and augmenting the product lines. The R&D Center is equipped with technologically advanced instruments governed under the expert supervision of our qualified and competent scientists, geologists and engineers for continuous innovations and improvement in quality of our finished products. As at December 31, 2017, Our R & D Center employs 13 scientists as well as 1 doctorate holders.

Our revenue from operations for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 2,580.51 Lakh, ₹ 2,390.65 Lakh, ₹ 3,251.70 Lakh and ₹ 1,919.63 Lakh, respectively. Our EBITDA for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 301.44 Lakh, ₹ 256.42 Lakh, ₹ 423.94 Lakh and ₹ 286.92 Lakh, respectively. Our PAT for FY 2015, FY 2016, FY 2017 and the six month period ended September 30, 2017, was ₹ 149.58 Lakh, ₹ 90.18 Lakh, ₹ 174.82 Lakh and ₹ 132.75 Lakh, respectively. Our three year CAGR for revenue from operations from FY 2015 to FY 2017 is 12.25 %, our three year CAGR for EBITDA from FY 2015 to FY 2017 is 18.59 % and our three year CAGR for PAT from FY 2015 to FY 2017 is 8.11 %. Our ROCE for FY 2017 is 12.07 % and our ROE for FY 2017 is 9.70 % respectively. Our total debt / equity ratio has improved from 0.77 times in FY 2015 to 0.33 times in FY 2017.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled ‘*Risk Factors*’ on page 17 of this Draft Red Herring Prospectus. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

### ***Macro-Economic Factors***

Macroeconomic factors, both in the national and international contexts, such as economic instability, political uncertainty, social upheavals could influence our business and, as a result, our results of operations. In addition, fluctuations in interest rates, exchange rates and inflation could have an effect on certain key aspects of our operations, including on the costs of our raw materials, the prices at which we can sell our products, our finance costs required to fund our operations and profit margins.

### ***Our Relationships with our Promoter 20 Microns Limited***

We derive considerable synergies from 20 Microns Limited, our Corporate Promoter. We believe our relationship with 20 Microns Limited is a critical factor, enhancing our geographic reach and market penetration through their marketing network. We believe our relationship with 20 Microns Limited will accelerate our business growth and provides us with opportunities for selling our other products across globe.

### ***Manufacturing Costs and Quality of our Manufacturing Facilities***

Our ability to maintain our position as an innovative, efficient and cost-effective producer of various product applications across industries is critical to our existence and competitiveness in the market. Our cost competitiveness is dependent on the efficient management of our production costs. The availability of key raw materials at competitive prices is critical and price fluctuations may affect our margins and, as a result, our results of operations. Additionally, any significant changes in excise duties / GST and other commercial taxes levied on raw materials and finished products which cannot be passed on to our customers, changes in our production costs could have an adverse effect on our financial condition and results of operations. In addition, in order to maximize our profits, we must maintain a high level of capacity utilization at our manufacturing facilities and an appropriate standard of quality in our manufacturing facilities, equipment and processes. Attaining and maintaining this level of quality requires considerable expense and planning. We strive to maximize our operational leverage as our scale of operations increase. If we are unable to achieve, preserve and maintain level of quality in our manufacturing processes and facilities in the future, our financial condition and results of operations may be adversely affected.

### ***Our ability to retain our Skilled Personnel***

Our business is based on knowledge and experience, which means one of its most important resources for us, is our skilled personnel. Our large manufacturing capacity together with our 110 members’ team of technical and administrative management team, has enabled us to develop technical and analytical developments to provide solutions for our business verticals. Factors like technical nature of the business, and lack of qualified professionals with experience operates as an entry barrier to new players in the market.

Accordingly, our results of operations would significantly depend on our ability to attract, recruit, develop, motivate and retain our skilled personnel and will distinguish us from other players in the market.

### ***Government Policies and Regulations***

Our Company owns mining rights of China Clay Mine located at survey no.682, Nr. Village Nadappa, Taluka Bhuj, Dist. Kutch, Gujarat. Any change in the Mining Policies implemented by the Government may adversely affect the operations of the Company.

### ***Success of our Expansion Plan***

We intend to set up a new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat (Proposed Facility) to add manufacturing capacity for our new products: (i) Micronized Wax: Cryogenic (ii) Coloured Mica: Organoclay Plant (iii) Fumed Silica: Flash Calcination as well as to increase the manufacturing capacity for our existing products: (i) Non Micronized Wax: Spray Cooler (ii) Bentonite: Organoclay Plant (iii) Organoclay: Organoclay Plant (iv) Attapulgit: Flash Calcination (v) Diatomaceous Earth: Flash Calcination. For further details, kindly refer the chapter titled “Objects of the Issue” beginning on page 75 of this DRHP.

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial Information*” on page 168 of this Draft Red Herring Prospectus.

## **RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS**

For details please refer section titled “*Financial Information*” on page 168 of this Draft Red Herring Prospectus.

### ***Principal components of our statement of profit and loss account***

#### ***Revenue***

Our total revenue for the Fiscals 2017, 2016 and 2015 was ₹ 3,308.26 Lakh, ₹ 2,490.00 Lakh and ₹ 2,707.72 Lakh respectively. Further, our total revenue for the six months ended September 30, 2016, was ₹ 1,939.31 Lakh. Our revenue comprises of:

#### ***Revenue from operations***

Our revenue from operations comprises of revenue from the sale of processed minerals and trading of minerals. Our revenue from sale of processed minerals primarily include (i) Functional Additives (FA), (ii) Chemically Modified Minerals (CMM), (iii) Soft Minerals (SM) and (iv) Hard Minerals (HM).

#### ***Other revenue***

Other revenue primarily comprises of rent income, interest income, foreign exchange gains and profit on the sale of assets

#### ***Expenses***

Our total expenses for Fiscal 2017, 2016 and 2015 were ₹ 3046.99 Lakh, ₹ 2351.23 Lakh and ₹ 2549.44 Lakh respectively. Further, our total expenses for the six months ended September 30, 2017, were ₹ 1734.01 Lakh. Our expenses primarily comprise cost of materials consumed, purchase of stock in trade, Changes in Inventories of Finished Goods and Stock-in-Trade, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

#### ***Cost of materials consumed***

The cost of material consumed in the manufacturing of products comprises of raw material, packaging material, consumables etc.

#### ***Purchase of Stock-in-Trade***

The purchase of Stock-in-Trade comprises of purchase of minerals for trading purpose.

### *Changes in Inventories of Finished Goods and Stock-in-Trade*

Changes in Inventories of Finished Goods and Stock-in-Trade comprises of difference in closing balance vis a vis opening balance of finished goods and stock in trade.

### *Employee benefit expenses*

Employee benefit expense consists of salaries, wages and bonus, managerial remuneration, contributions to provident fund and staff welfare.

### *Finance cost*

Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans and unsecured loans. Other finance costs relate to bank commission and charges.

### *Depreciation and Amortisation Expense*

Depreciation and amortization expense comprise depreciation of our leasehold lands, buildings, plant and machinery, equipment, office equipment, furniture and fixtures and vehicles etc and amortization of product development expenses, mining development expenses.

### *Other expenses*

Other expenses comprise of other manufacturing expenses, Administrative expenses, research & development expenses and Marketing, Selling & Distribution expenses. Other manufacturing expenses mainly include power and fuel expenses, rent, repairs and maintenance of plant and machinery and buildings, consumption of stores & other manufacturing expenses. Marketing, Selling and distribution expenses include discount and commission, sales promotion expenses, freight and other selling and distribution expenses. Administrative expenses include travelling and conveyance, royalty expenses, rent, rates and taxes, insurance, other repairs and maintenance, legal and professional fees, remuneration to auditors, printing and stationery, office and general maintenance, foreign exchange loss, loss on sale of fixed assets and miscellaneous expenses.

### *Tax expenses*

#### *Current tax*

Our Company is liable to pay current tax as per Tax laws including taxes under paid under Minimum Alternate Tax.

#### *Deferred tax*

Deferred tax arises from timing differences between book profits and taxable (accounting) profits that originates in one period and is capable of reversal in one or more subsequent periods. It is measured using tax rates and laws that have been enacted or substantively enacted as on the date of the balance sheet.

### **Results of our Operations**

The following table shows our Company's restated profit and loss statement for the period ended September 30, 2017 and for the fiscal years ended March 31 2017, 2016 and 2015.

(In ₹ Lakh)

Particulars	For the period ended		For the year ended					
	30-Sep-17	% of Revenue	31-Mar-17	% of Revenue	31-Mar-16	% of Revenue	31-Mar-15	% of Revenue
<b>Revenue</b>								
Revenue from Operations	1,919.63	98.99%	3,251.70	98.29%	2,390.65	96.01%	2,580.51	95.30%
Other Income	19.68	1.01%	56.56	1.71%	99.35	3.99%	127.21	4.70%
<b>Total Revenue</b>	<b>1,939.31</b>	<b>100.00%</b>	<b>3,308.26</b>	<b>100.00%</b>	<b>2,490.00</b>	<b>100.00%</b>	<b>2,707.72</b>	<b>100.00%</b>
<b>Expenses</b>								
Cost of Materials Consumed	1,051.76	54.23%	1,727.88	52.23%	1,321.00	53.05%	1,326.98	49.01%
Purchase of Stock-in-Trade	63.37	3.27%	94.57	2.86%	158.34	6.36%	496.86	18.35%
Changes in Inventories of Finished Goods and	(41.86)	-2.16%	(49.33)	-1.49%	(18.20)	-0.73%	4.50	0.17%

Particulars	For the period ended		For the year ended					
	30-Sep-17	% of Revenue	31-Mar-17	% of Revenue	31-Mar-16	% of Revenue	31-Mar-15	% of Revenue
Stock-in-Trade								
Employee Benefit Expense	158.59	8.18%	254.35	7.69%	179.31	7.20%	89.22	3.30%
Financial Costs	41.84	2.16%	100.16	3.03%	127.74	5.13%	162.05	5.98%
Depreciation and Amortization Expense	59.46	3.07%	119.07	3.60%	89.26	3.58%	108.32	4.00%
Other Expenses	400.85	20.67%	800.29	24.19%	493.78	19.83%	361.51	13.35%
<b>Total Expenses</b>	<b>1,734.01</b>	<b>89.41%</b>	<b>3,046.99</b>	<b>92.10%</b>	<b>2,351.23</b>	<b>94.43%</b>	<b>2,549.44</b>	<b>94.15%</b>
<b>Profit Before Exceptional and Extra Ordinary items and Tax</b>	<b>205.30</b>	<b>10.59%</b>	<b>261.27</b>	<b>7.90%</b>	<b>138.77</b>	<b>5.57%</b>	<b>158.28</b>	<b>5.85%</b>
Exceptional Item	-	-	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>205.30</b>	<b>10.59%</b>	<b>261.27</b>	<b>7.90%</b>	<b>138.77</b>	<b>5.57%</b>	<b>158.28</b>	<b>5.85%</b>
Tax expense:								
- Current Tax	67.89	3.50%	60.42	1.83%	36.89	1.48%	31.74	1.17%
- Deferred tax	4.66	0.24%	26.03	0.79%	11.69	0.47%	(8.59)	(0.32)%
- MAT	-	-	-	-	-	-	(14.45)	(0.53)%
<b>Net Tax expenses</b>	<b>72.55</b>	<b>3.74%</b>	<b>86.45</b>	<b>2.61%</b>	<b>48.59</b>	<b>1.95%</b>	<b>8.70</b>	<b>0.32%</b>
<b>Profit / (Loss) for the period</b>	<b>132.75</b>	<b>6.85%</b>	<b>174.82</b>	<b>5.28%</b>	<b>90.18</b>	<b>3.62%</b>	<b>149.58</b>	<b>5.52%</b>

### Results of Operations from April 1, 2017 to September 30, 2017

#### Total Revenue

Our total revenue for the six month period ended September 30, 2017 was ₹ 1,939.31 Lakh which comprised of:

#### Revenue from operations:

Our revenue from operations for the six month period ended September 30, 2017 was ₹ 1,919.63 Lakh.

#### Other revenue

Other revenue for the six month period ended September 30, 2017 was ₹ 19.68 Lakh.

#### Expenses

Our total expenditure for the six month period ended September 30, 2017 was ₹ 1,734.01 Lakh which comprised of:

#### Cost of materials consumed

The cost of materials consumed for the six month period ended September 30, 2017 was ₹ 1,051.76 Lakh.

#### Purchase of Stock-in-Trade

The purchase of Stock-in-Trade for the six month period ended September 30, 2017 was ₹ 63.37 Lakh.

#### Changes in Inventories of Finished Goods and Stock-in-Trade

The changes in Inventories of Finished Goods and Stock-in-Trade for the six month period ended September 30, 2017 was ₹ (41.86 Lakh).

#### Employee benefit expenses

Employee benefit expense for the six month period ended September 30, 2017 was ₹ 158.59 Lakh.

#### Finance cost

Finance cost for the six month period ended September 30, 2017 was ₹ 41.84 Lakh.



### *Depreciation and Amortisation Expense*

Depreciation and amortization expense for the six month period ended September 30, 2017 was ₹ 59.46 Lakh.

### *Other expenses*

Other expenses for the six month period ended September 30, 2017 was ₹ 400.85 Lakh.

### *Net Profit/Loss before Tax*

Our Company has earned a profit after tax for the six month period ended September 30, 2017 of ₹ 205.30 Lakh.

### *Taxation*

Our company for the six months period ended September 30, 2017 has made a provision for taxes, including deferred tax, of ₹ 72.55 Lakh.

### *Net Profit/Loss after Tax*

Our company earned a profit after tax for the six month period ended September 30, 2017 of ₹ 132.75 Lakh.

## **Comparisons of Historical Results of Operations**

### **Year ended March 31, 2017 compared to year ended March 31, 2016**

#### ***Revenue***

Our total revenue for the year ended March 31, 2017 was ₹ 3,308.26 Lakh as compared to ₹ 2,490.00 Lakh for the year ended March 31, 2016, representing an increase of 32.86%. Total revenue comprises of:

#### *Revenue from operations*

Our revenue from operations for the year ended March 31, 2017 was ₹ 3,251.70 Lakh as compared to ₹ 2,390.65 Lakh for the year ended March 31, 2016, representing an increase of 36.02%. This is primarily due to increase in our business operations.

#### *Other revenue*

Other revenue for the year ended March 31, 2017 was ₹ 56.56 Lakh as compared to ₹ 99.35 Lakh for the year ended March 31, 2016, representing a decrease of 43.07%. The reason for decrease in other income is decrease in interest income earned and rental income.

#### ***Expenses***

Our total expenditure for the year ended March 31, 2017 was ₹ 3,046.99 Lakh as compared to ₹ 2,351.23 Lakh for the year ended March 31, 2016, representing an increase of 29.59%. Total expenditure comprises of:

#### *Cost of materials consumed*

The cost of materials consumed for the year ended March 31, 2017 was ₹ 1,727.88 Lakh as compared to ₹ 1,321.00 Lakh for the year ended March 31, 2016, representing an increase of 30.80%. The increase was in line with the increase in our business operations.

#### *Purchase of Stock-in-Trade*

The purchase of Stock-in-Trade for the year ended March 31, 2017 was ₹ 94.57 Lakh as compared to ₹ 158.34 Lakh for the year ended March 31, 2016, representing a decrease of 40.27%. The decrease was in line with the decrease in sale of traded goods and simultaneously decrease of stock in trade.

#### *Changes in Inventories of Finished Goods and Stock-in-Trade*

The Inventories of Finished Goods and Stock-in-Trade for the year ended March 31, 2017 was ₹ (49.33 Lakh) as compared to ₹ (18.20 Lakh) for the year ended March 31, 2016.

#### *Employee benefit expenses*

Employee benefit expense for the year ended March 31, 2017 was ₹ 254.35 Lakh as compared to ₹ 179.31 Lakh for the year ended March 31, 2016, representing an increase of 41.85%. This was due to increase in manpower on account of increase in manufacturing activity and vis a vis increase in Salaries, Wages and Bonus..

#### *Finance cost*

Finance cost for the year ended March 31, 2017 was ₹ 100.16 Lakh as compared to ₹ 127.74 Lakh for the year ended March 31, 2016, representing a decrease of 21.59%. The decrease in finance cost is due to decrease in outstanding loans and other related expenses.

#### *Depreciation and Amortisation Expense*

Depreciation and amortization expense for the year ended March 31, 2017 was ₹ 119.07 Lakh as compared to ₹ 89.26 Lakh for the year ended March 31, 2016, representing an increase of 33.40%. During the year Company has made further addition in fixed assets.

#### *Other expenses*

Other expenses for the year ended March 31, 2017 was ₹ 800.29 Lakh as compared to ₹ 493.78 Lakh for the year ended March 31, 2016, representing an increase of 62.07%. The Company has increased the manufacturing activity as against dealing in trading goods resulting in increased rental expenses, royalty expenses, freight expenses and other miscellaneous expenses.

#### *Net Profit/Loss before Tax*

Our company earned a profit before tax for the year ended March 31, 2017 of ₹ 261.27 Lakh as compared to ₹ 138.77 Lakh for the year ended March 31, 2016, representing an increase of 88.28%. The increases in manufacturing activities lead to decrease in expenses and thereby resulted into higher profits.

#### *Taxation*

The provision for taxes for the year ended March 31, 2017 was ₹ 86.45 Lakh as compared to ₹ 48.59 Lakh, representing an increase of 77.92%. This was due to increase in profits for the current year.

#### *Net Profit/Loss after Tax*

Our company earned a profit before tax for the year ended March 31, 2017 of ₹ 174.82 Lakh as compared to ₹ 90.18 Lakh for the year ended March 31, 2016, representing an increase of 93.86%. The increase was due to increase in profit before taxes.

### **Year ended March 31, 2016 compared to year ended March 31, 2015**

#### ***Revenue***

Our total revenue for the year ended March 31, 2016 was ₹ 2,490.00 Lakh as compared to ₹ 2,707.72 Lakh for the year ended March 31, 2015, representing a decrease of 8.04%. Total revenue comprises of:

#### **Revenue from operations**

Our revenue from operations for the year ended March 31, 2016 was ₹ 2,390.65 Lakh as compared to ₹ 2,580.51 Lakh for the year ended March 31, 2015, representing a decrease of 7.36%. While the sales of processed minerals increased by 14.15% during the said period, the decrease in sales was mainly attributable due decrease in traded goods by 63.47%.

#### **Other revenue**

Other revenue for the year ended March 31, 2016 was ₹ 99.35 Lakh as compared to ₹ 127.21 Lakh for the year ended March 31, 2015, representing a decrease of 21.90%. This was due to the decrease in interest income, rental income and foreign exchange gains.

## ***Expenses***

Our total expenditure for the year ended March 31, 2016 was ₹ 2,351.23 Lakh as compared to ₹ 2,549.44 Lakh for the year ended March 31, 2015, representing a decrease of 7.77%. Total expenditure comprises of:

### ***Cost of materials consumed***

The cost of materials consumed for the year ended March 31, 2016 was ₹ 1,321.00 Lakh as compared to ₹ 1,326.98 Lakh for the year ended March 31, 2015, representing a decrease of 0.45%. The purchase of raw material, packaging material, and cost of extraction has increased in line with the increase of sale of processed minerals. However, the increase in closing inventory of raw material, packaging material and mining material has offset the increase in purchase of raw material, packaging material, and cost of extraction thereby resulting in slight decrease of cost of material consumed.

### ***Purchase of Stock-in-Trade***

The purchase of Stock-in-Trade for the year ended March 31, 2016 was ₹ 158.34 Lakh as compared to ₹ 496.86 Lakh for the year ended March 31, 2015, representing a decrease of 68.13%. The decrease was in line with the decrease in sale of traded goods.

### ***Changes in Inventories of Finished Goods and Stock-in-Trade***

The Inventories of Finished Goods and Stock-in-Trade for the year ended March 31, 2016 was ₹ (18.20 Lakh) as compared to ₹ 4.50 Lakh for the year ended March 31, 2015.

### ***Employee benefit expenses***

Employee benefit expense for the year ended March 31, 2016 was ₹ 179.31 Lakh as compared to ₹ 89.22 Lakh for the year ended March 31, 2015, representing an increase of 100.98%. This was due to increase in manpower on account of increase in manufacturing activity and vis a vis increase in Salaries, Wages and Bonus.

### ***Finance cost***

Finance cost for the year ended March 31, 2016 was ₹ 127.74 Lakh as compared to ₹ 162.05 Lakh for the year ended March 31, 2015, representing a decrease of 21.17%. The decrease in finance cost is due to decrease in outstanding loans and other expenses.

### ***Depreciation and Amortisation Expense***

Depreciation and amortization expense for the year ended March 31, 2016 was ₹ 89.26 Lakh as compared to ₹ 108.32 Lakh for the year ended March 31, 2015, representing a decrease of 17.60%. Our Company had fully amortized certain Intangible asset during the year 2014-15 on the ground that its useful life is over. Since there was no similar charge in 2015-16, depreciation for the year 2015-16 declined as compared to 2014-15.

### ***Other expenses***

Other expenses for the year ended March 31, 2016 was ₹ 493.78 Lakh as compared to ₹ 361.51 Lakh for the year ended March 31, 2015, representing an increase of 36.59%. The Company has increased the manufacturing activity during the current year as against dealing in trading goods resulting in increased power and fuel expenses, rent and repairs and maintenance.

### ***Net Profit/Loss before Tax***

Our company earned a profit before tax for the year ended March 31, 2016 of ₹ 138.77 Lakh as compared to ₹ 158.28 Lakh for the year ended March 31, 2015, representing a decrease of 12.33%. The decrease was due to increase in other manufacturing expenses and employee benefit expenses and thereby resulted into reduce profits.

### ***Taxation***

The provision for taxes for the year ended March 31, 2016 was ₹ 48.59 Lakh as compared to ₹ 8.70 Lakh for the year ended March 31, 2015, representing an increase of 458.55%. This was due to increase in profits for the current year and set off of MAT credit against taxes.

### *Net Profit/Loss after Tax*

Our company earned a profit before tax for the year ended March 31, 2016 of ₹ 90.18 Lakh as compared to ₹ 149.58 Lakh for the year ended March 31, 2015, representing a decrease of 39.71%. The decrease was due to decrease in profit before taxes and entitlement of MAT credit in earlier year.

### **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution during the last three Fiscal year**

There are no defaults, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution during the last three Fiscal years.

### **Material Frauds**

There are no material frauds committed against our Company, in the last five financials year.

### **Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Draft Red Herring Prospectus, since September 30, 2017, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

### **Significant economic/regulatory changes**

Our mining operation is under highly regulated industry. Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 17 of this Draft Red Herring Prospectus.

Except as described in the chapter titled “*Key Industry Regulations and Policies*” beginning on page 129 of this Draft Red Herring Prospectus, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

### **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 17 and 228, respectively, of this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

### **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**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 17 and 228, respectively, and elsewhere in this Draft Red Herring Prospectus, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by our customers.

### **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of business and introduction of new products.

## **Competitive Conditions**

We expect competition in the sector from existing and potential competitors to intensify. However, on account of our product quality, competitive pricing, strong customer relationships and our presence in the market for a long time, we are able to manage our competition. For further details, kindly refer the chapter titled “*Our Business*” beginning on page 112 of this Draft Red Herring Prospectus.

## ***New Product or Business Segment***

We intend to set up a new manufacturing facility at Plot 336, GIDC Waghodia, Vadodara, Gujarat (Proposed Facility) to add manufacturing capacity for our new products: (i) Micronized Wax: Cryogenic (ii) Coloured Mica: Organoclay Plant (iii) Fumed Silica: Flash Calcination as well as to increase the manufacturing capacity for our existing products: (i) Non Micronized Wax: Spray Cooler (ii) Bentonite: Organoclay Plant (iii) Organoclay: Organoclay Plant (iv) Attapulgit: Flash Calcination (v) Diatomaceous Earth: Flash Calcination. For further details, kindly refer the chapter titled “Objects of the Issue” beginning on page 75 of this DRHP.

## **Seasonality of Business**

Our business is not seasonal except the mining business. Our business is largely dependent on overall economic conditions prevailing both locally and globally. The level of our operations, income and profitability may be affected by these factors.

## **Significant Dependence on a Single or Few Suppliers or Customers**

We derive a significant portion of our revenues from our Company’s top 10 (ten) customers. In the Financial Years 2015, 2016 and 2017, our top 10 (ten) customers accounted for 59%, 57%, and 59%, respectively, of our revenue from operations. While our top 10 (ten) customers are not necessarily the same every year, the top (10) ten customers contribute a significant portion of our revenues. In the financial year 2017, our largest customer accounted for 11% of our revenues. Hence, we are not dependent on few customers or suppliers.

## **Related Party Transactions**

For details please refer to the discussion in the chapter titled “*Financial Statements*” beginning on page 168 of this Draft Red Herring Prospectus.

## **Significant developments after September 30, 2017 that may affect our future results of operations**

In the opinion of our Directors of our Company, no circumstances have arisen since September 30, 2017 which materially and adversely affect or are likely to affect the profitability of our Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

## FINANCIAL INDEBTEDNESS

As on December 31, 2017, our Company has total outstanding secured borrowings from banks and financial institutions aggregating to ₹ 377.51 Lakh and unsecured borrowings aggregating to ₹ 274.91 Lakh.

Set forth below is a brief summary of our aggregate borrowings from banks and financial institutions as of December 31, 2017:

### Secured Loans availed by our Company

(₹ In Lakh)

Name of Lender	Purpose	Sanctioned amount	Amount outstanding as of December 31, 2017	Rate of Interest (% p.a.)	Repayment schedule	Security provided
IDBI Bank Limited	Term Loan for purchase of new plant & machineries (Vaporoxol – 3F)	150.00	67.88	MCLR + 420 bps p.a.	60 Months	<b>Primary Security:</b> 1. Exclusive Charge on equipment purchased/ to be purchased out of the Term loan from IDBI Bank Ltd.  <b>Collateral Security:</b> 1. Second Charge on all present and future current assets of the Company.  <b>Guarantee:</b> 1. Corporate Guarantee of 20 Microns Limited
IDBI Bank Limited	Cash Credit	600.00	245.62	MCLR + 370 bps p.a.	Payable On Demand	<b>Primary Security:</b> 1. First charge on all present and future current assets of the Company.  <b>Collateral Security:</b> 1. Second charge on all present and future fixed assets of the Company.  <b>Guarantee:</b> 1. Corporate Guarantee of 20 Microns Limited
ICICI Bank	Vehicle Loan	62.00	57.65	8.30%	60 months	Hypothecation of Vehicle
HDFC Bank	Vehicle Loan	6.50	6.36	8.85%	36 months	Hypothecation of Vehicle

### Unsecured Loans availed by our Company

(₹ In Lakh)

Name of Lender	Purpose	Sanctioned amount	Amount outstanding as of December 31, 2017	Rate of Interest (% p.a.)	Repayment schedule
ICICI Bank	Vehicle Loan	5.55	4.39	9.65%	60 months
Deposits from Public & Members	Business	N.A.	270.52	10% to 14%	1 to 3 years

### Restrictive Covenants:

The term loan and working capital loan availed by our Company contains certain restrictive clauses including but not limited to:

- a) Without prior written notice of the aforesaid banks, our Company cannot make any material change in its management setup or any material change in its shareholding pattern which has a possible change in the control of the Company or in the nature of the Company's business operations; and
- b) Cannot divert the facilities sanctioned to inter-corporate deposits, debentures, stocks and shares, real estate business, etc.

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

## SECTION VI - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no:*

*A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters, Group Companies. Our Board, in its meeting held on December 30, 2017, determined that outstanding legal proceedings involving the Company, its Directors, Promoters and Material Group Companies: (a) where the aggregate amount involved, in such individual litigation exceeds 1% of the profit after tax of our Company, as per last audited financial statements; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of the profit after tax of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 1% of the profit after tax of the Company, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation (“**Material Litigation**”).*

*B. (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) 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; or (vi) material frauds committed against our Company in the last five years.*

*Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding 5% of the Company's trade for the last audited financial statements shall be considered as material dues for the Company, as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on December 30, 2017.*

*All terms defined in a particular litigation are for that particular litigation only.*

#### **LITIGATION INVOLVING OUR COMPANY**

##### **A. LITIGATION FILED AGAINST OUR COMPANY**

###### **1. Litigation Involving Criminal Matters:**

NIL

###### **2. Litigation Involving Actions by Statutory/Regulatory Authorities:**

NIL

###### **3. Litigation involving Tax Liabilities**

###### **(i) Direct Tax Liabilities**

NIL

###### **(ii) Indirect Tax Liabilities**

NIL

###### **4. Other Pending Litigations**

NIL

##### **B. LITIGATIONS FILED BY OUR COMPANY**

###### **1. Litigation Involving Criminal Matters:**

NIL

###### **2. Litigation Involving Actions by Statutory/Regulatory Authorities:**

NIL



### 3. Litigation Involving Tax Liabilities:

#### i) Direct Tax Liabilities

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	Income Tax	1	Unascertainable <sup>(1)</sup>
	<b>Total</b>	1	Unascertainable

<sup>(1)</sup>Assessment Order dated December 30, 2016 was passed by the Assessing officer in respect of the Assessment Year 2014-2015, inter alia holding that certain additions were to be made to the total income of the Company and penalty proceedings for furnishing inaccurate particulars of income were to be initiated against the Company, pursuant to which a notice of demand dated December 30, 2016 was issued to the Company under Section 156 of the Income Tax Act, 1961 inter alia holding that an amount of ₹ 29,13,240/- was refundable to the Company. Further, pursuant to the said assessment order, a notice under Section 274 read with Section 271 of the Income Tax Act, 1961 was issued to the Company on December 30, 2016 inter alia asking the Company to show cause as to why an order imposing penalty should not be imposed on the Company. Subsequently, an appeal against the aforesaid assessment order was preferred on January 19, 2017. The matter is currently pending before the Commissioner of Income-tax (Appeals).

#### (ii) Indirect Tax Liabilities

NIL

### 4. Other Pending Litigations

- i. Special Summary Suit bearing No. 16 of 2014 filed by 20 Microns Nano Minerals Limited as the “Plaintiff” against BUMI GEO Engineering Limited as the “Defendant” before the Court of the Hon’ble Principal Civil Judge (S.D), Vadodara on February 15, 2014 for the recovery of money in respect of Piling Grade Bentonite Powder supplied to the Defendant under a purchase order inter alia praying for a judgment directing the Defendant to pay a sum of ₹ 6, 00, 635/- (Rupees Six Lakh Six hundred and thirty-five only) along with an interest of 24% from the date of filing of the suit. The matter is listed for summons on January 22, 2018.
- ii. Special Summary Suit bearing No. 17 of 2014 filed by 20 Microns Nano Minerals Limited as the “Plaintiff” against Mr. R. D. Dinesh, Proprietor of R. D. Impex as the “Defendant” before the Court of the Hon’ble Principal Civil Judge (S.D), Vadodara on February 15, 2014 under Order 37, Rule 1& 2 of Civil Procedure Code, 1908 for the recovery of money in respect of the good supplied to the Defendant under the dealership agreement inter alia praying for a judgment directing the Defendant to pay a sum of ₹ 6,00,584/- (Rupees Six Lakh five hundred eighty-four only) along with an interest of 24% per annum from the date of filing the suit and the cost of the suit. In pursuance of this, a summons for appearance was issued to the Defendant on December 24, 2014. The matter is currently pending.
- iii. Special Civil Suit bearing number 318 of 2016 filed by 20 Microns Nano Minerals Limited as the “Plaintiff” against DBM Geotechnics & Construction Private Limited and others as the “Defendants” before Principal Senior Civil Judge, Vadodara on August 09, 2016, for the recovery of ₹ 11.04,903.92/- from the Defendant for the material supplied to the Defendant and it was inter alia prayed that the Defendant be directed to repay the money along with 24% interest by any possible means. The said matter is pending.

### LITIGATIONS INVOLVING OUR DIRECTORS

#### A. LITIGATIONS FILED AGAINST THE DIRECTORS

##### 1. Litigation involving Criminal Matters

NIL

##### 2. Litigation involving Actions by Statutory/Regulatory Authorities:

For further details, kindly refer to the section titled “Outstanding Litigations and Material Developments – Litigations Filed Against our Promoter - Litigation involving Actions by Statutory/Regulatory Authorities” on page 242.

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations:**

For further details, kindly refer to the sections titled “*Outstanding Litigations and Material Developments – Litigations Filed against the Promoters- Other Pending Litigations*” on page 243.

**B. LITIGATIONS FILED BY OUR DIRECTORS**

**1. Litigation involving Criminal Matters**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations:**

NIL

**LITIGATIONS INVOLVING OUR PROMOTERS**

**A. LITIGATIONS FILED AGAINST OUR PROMOTERS**

**1. Litigation involving Criminal Matters:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

- i. A Notice dated January 13, 2016 bearing no. EAD-2/DSR/RG/1260/ 2016 was issued by SEBI to our promoter, namely 20 Microns Limited and to one of our promoter group members and group company, namely, Eriez Industries Pvt. Limited and others inter alia asking them to show cause as to why an enquiry against them should not be held in terms of Rule 4 of SEBI (Procedure for holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995 read with Section 151 of the SEBI Act, 1992 and to show cause as to why penalty should not be imposed under Section 15HB of the SEBI Act, 1992 and Section 23A(a) of the SCRA against 20 Microns Limited and under Section 15A(b) of the SEBI Act, 1992 against Eriez Industries Pvt. Limited for the allegations of contravention of the provisions of law mentioned in the said notice. Thereafter, vide letters dated April 5, 2016 and June 3, 2016, 20 Microns Limited had inter alia requested certain clarifications/ information from SEBI pursuant to which the Adjudicating Officer appointed in the matter directed the Enforcement Department of SEBI, vide letter dated March 24, 2017, to offer its comments along with supporting documents thereon. 20 Microns Limited was awaiting a response from the Enforcement Department of SEBI pursuant to the directions issued by the Adjudicating Officer and had therefore, sought to adjourn the meeting to be held in the matter on January 8, 2018 vide its letter dated December 26, 2017 addressed to SEBI. Subsequently, SEBI vide order dated February 14, 2018 imposed monetary penalty of ₹ 4,00,000/- under Section 15A(b) of SEBI Act, 1992 on Eriez Industries Pvt. Limited and a monetary penalty of ₹ 2,00,000/- under Section 23A(a) of SCRA, 1956 on 20 Microns Limited.

- ii. The Department of Geology and Mining had vide its Order dated 6th August, 2016 passed against 20 Microns Limited, called upon 20 Microns Limited to pay a sum of ₹ 4,19,13,399/- within 30 days from the date of the said Order towards unauthorized mining of white clay and ordinary soil from the leased mining granted to 20 Microns Limited. 20 Microns Limited has vide its Appeal dated 3rd September 2016 bearing Appeal No.GMPIMTS-05/45/16 submitted its reasons as to why the demand made by the Department is not valid inter alia on the basis that the decision is made ex parte and the same has been passed without issuing any Show Cause Notice or granting any opportunity to be heard as also other technical reasons. The hearing of the matter was scheduled on 17<sup>th</sup> September 2016 wherein 20 Microns Limited has made its written as well as oral submissions in the matter. 20 Microns Limited requested for stay of the Order passed by the Department as also revalidating online royalty passed in favour of 20 Microns Limited in connection with the mining lease granted in favour of 20 Microns Limited. So far as there is no decision made in the matter and the matter is pending.
- iii. Gujarat Pollution Control Board has filed a criminal complaint before Chhota Udaipur Judicial Magistrate First Class bearing criminal case no. 414 of 2015 against 20 Microns Limited and Chairman and Directors of 20 Microns Ltd. In the said complaint the Pollution Control Board has alleged that 20 Microns Limited has done the mining of Dolomite stone without obtaining pre environment clearance certificate and thereby are liable for punishment under Section 15 and 16 of the Environment Protection Act 1986. The matter is pending.
- iv. The Registrar of Companies, Gujarat filed a complaint bearing criminal case no. 8460 of 2010 under Section 211 of the Companies Act, 1956 against Mr. Chandresh Parikh, in his capacity as Chairman and Managing Director of 20 Microns Limited; Mr. Rajesh Parikh, in his capacity as Joint Managing Director of 20 Microns Limited; and Mr. Sudhir Parikh, in his capacity as Whole Time Director of 20 Microns Limited (collectively referred to as the “**Accused**”), before the Court of the Chief Judicial Magistrate First Class at Baroda (“**Hon’ble Court**”), inter alia praying that the Hon’ble Court take the complaint on record and punish the accused according to law and in the interest of justice and that the Hon’ble Court issue directions under Section 614(A) of the Companies Act, 1956. Vide order dated April 16, 2015, the Hon’ble Court took on record the admission by the Accused of the commission of the offences mentioned in the complaint and accordingly, levied a penalty of ₹ 10,000/- on the Accused.
- v. The Registrar of Companies, Gujarat filed a complaint bearing criminal case no. 8459 of 2010 under Section 211 of the Companies Act, 1956 against Mr. Chandresh Parikh, in his capacity as Chairman and Managing Director of 20 Microns Limited; Mr. Rajesh Parikh, in his capacity as Joint Managing Director of 20 Microns Limited; and Mr. Sudhir Parikh, in his capacity as Whole Time Director of 20 Microns Limited (collectively referred to as the “**Accused**”), before the Court of the Chief Judicial Magistrate First Class at Baroda (“**Hon’ble Court**”), inter alia praying that the Hon’ble Court take the complaint on record and punish the accused according to law and in the interest of justice and that the Hon’ble Court issue directions under Section 614(A) of the Companies Act, 1956. Vide order dated April 16, 2015, the Hon’ble Court took on record the admission by the Accused of the commission of the offences mentioned in the complaint and accordingly, levied a penalty of ₹ 10,000/- on the Accused.

### 3. Litigation Involving Tax Liabilities

#### (i) Direct Tax Liabilities

NIL

#### (ii) Indirect Tax Liabilities

NIL

### 4. Other Pending Litigations

- i. Short Cause Suit No. 3231 of 2013 filed by Mr. Shankar Krishnan Iyer as the “**Plaintiff**” against M/s 20 Microns Limited, Mr. Sanjay Gandhi and M/s Global Marine Agencies as the “**Respondents**” before the City Civil Court at Bombay, Mumbai on June 26, 2013 under Section 9 of the Civil Procedure Code, 1908 for the recovery of payments to be made for the services rendered to the Defendants, inter alia praying for an order directing the Defendants to pay a sum of ₹ 13, 93, 256 (Rupees Thirteen Lakh ninety-three thousand two hundred fifty-six only) and interest at 18% per annum since the date of filing of the suit until realization of payment. The matter is currently pending.
- ii. Short Cause Suit No. 2989 of 2013 filed by M/s Rishi Techtext Limited as the “**Plaintiff**” against M/s 20 Microns Limited, Mr. Chandresh Parikh and Mr. Rajesh Chandreshbhai Parikh as the “**Defendants**” before

the City Civil Court, Mumbai on June 01, 2013 for the recovery of service tax from the Defendants towards the lease agreement entered in respect of the factory situated at Dadra. The Defendants filed their written statement on December 16, 2013 inter alia denying the liability for payment of service tax and challenging the jurisdiction of the City Civil Court, Bombay and praying for the dismissal of the suit. The matter is currently pending.

- iii. Petition bearing No. 30 of 2017 filed by M/s. Fast Track Shipping & Logistics Services as the “Petitioner” against M/s 20 Microns Limited as the “Respondent” before the Micro and Small Enterprises Facilitation Council, Konkan Region, Thane under Section 18 (1) of Micro, Small & Medium Enterprise Development Act, 2006 for inordinate delay in payment of dues and a claim of ₹ 6,44,500/- as the principal amount along with interest thereon amounting to ₹ 13,88,149/- aggregating to ₹ 20, 32,649/-. The matter is currently pending.
- iv. Company Petition bearing number 225 of 2016 filed by the ASCOM Carbonate and Chemicals Manufacturing as the “**Petitioner**” against 20 Microns Limited as the “**Respondent Company**” under section 433,434 and 439 of the Indian Companies Act, 1956 for the winding up of Respondent, before the High Court of Gujarat at Ahmedabad, District: Vadodara (“**Hon’ble Court**”), on April 28, 2016, for the recovery of USD 8,36,166 wherein it was inter alia prayed that (i) the Respondent Company be ordered to be wound up, (ii) that the official Liquidator of the Hon’ble Court or some other fit and proper person be appointed liquidator of M/s 20 Microns Limited with all powers under provisions of the Companies Act, 1956, (iii) that pending the admission and final disposal of this petition the Official Liquidator attached to the Hon’ble Court or some other fit and proper person be appointed as provisional Liquidator of M/s 20 Microns Limited and (iv) that pending the admission and final disposal of this petition, the Respondent Company by its all officers and directors be restrained by an order and injunction, disposing of, encumbering, transferring alienating and parting with possession of any of the assets of the Respondent Company. Thereafter, the Respondent Company filed affidavit in reply dated September 15, 2016 inter alia denying the contents of the company petition and stating that the company petition be dismissed and no prayers may be granted in view of the facts and circumstances pointed out in said affidavit in reply The said matter is pending.
- v. Mr. Nikunj Jethabhai Solanki (“the Applicant”) has filed a Recovery Application No. 247 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,23,813/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- vi. Mr. Bhagwanbhai Adesingh Chouhan (“the Applicant”) has filed a Recovery Application No. 248 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,25,890/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- vii. Mr. Ghanshyambhai Ashokbhai Chouhan (“the Applicant”) has filed a Recovery Application No. 249 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,27,339/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- viii. Mr. Gambhirbhai Vechanbhai Vasava (“the Applicant”) has filed a Recovery Application No. 212 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,29,836/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- ix. Mr. Vinodbhai Mangalbhai Parmar (“the Applicant”) has filed a Recovery Application No. 213 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,45,295/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- x. Mr. Rajubhai Vithhalbhai Parmar (“the Applicant”) has filed a Recovery Application No. 215 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,03,623/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xi. Mr. Mithiabhai Sakaria Damor (“the Applicant”) has filed a Recovery Application No. 216 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1, 30,168/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.

- xii. Mr. Gautam Kalji Ninama (“the Applicant”) has filed a Recovery Application No. 217 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,11,074/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xiii. Mr. Anilbhai Pagla Katara (“the Applicant”) has filed a Recovery Application No. 218 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,27,931/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xiv. Mr. Rakeshkumar Jayantilal Trivedi (“the Applicant”) has filed a Recovery Application No. 221 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 3,18,014/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xv. Mr. Pravinbhai Fulabhai Solanki (“the Applicant”) has filed a Recovery Application No. 222 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,33,694/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xvi. Mrs. Madhuben Ashwinbhai Parmar (“the Applicant”) has filed a Recovery Application No. 223 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,33,489/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xvii. Mr. Kiritbhai Babubhai Patel (“the Applicant”) has filed a Recovery Application No. 224 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 3,73,095/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xviii. Mr. Shashikant M Patel (“the Applicant”) has filed a Recovery Application No. 225 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,97,560/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xix. Mrs. Shardaben Kantibhai Parmar (“the Applicant”) has filed a Recovery Application No. 226 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,08,623/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xx. Mr. Jayantibhai Ambalal Parmar (“the Applicant”) has filed a Recovery Application No. 227 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,20,465/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxi. Mr. Rameshbhai Ranchhodbhai Parmar (“the Applicant”) has filed a Recovery Application No. 228 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,25,699/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxii. Mrs. Sumitraben Jayantibhai Parmar (“the Applicant”) has filed a Recovery Application No. 229 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,21,858/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxiii. Mr. Maheshbhai Ganpatbhai Parmar (“the Applicant”) has filed a Recovery Application No. 242 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,42,049/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxiv. Mr. Rameshbhai Babubhai Vasava (“the Applicant”) has filed a Recovery Application No. 243 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,27,910/- together with interest at the rate

of 18% per annum from the due date till payment. The matter is pending.

- xxv. Mr. Jagdishbhai Chhatrasingh Solanki (“the Applicant”) has filed a Recovery Application No. 244 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,23,968/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxvi. Mr. Arjunbahi Mohanbhai Chawda (“the Applicant”) has filed a Recovery Application No. 245 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,61,420/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxvii. Mr. Maheshbhai Jethabhai Solanki (“the Applicant”) has filed a Recovery Application No. 246 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,25,644/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxviii. Mr. Mohanbhai Manilal Chauhan (“the Applicant”) has filed a Recovery Application No. 235 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,25,649/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxix. Mr. Kantibhai Ambalal Parmar (“the Applicant”) has filed a Recovery Application No. 230 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,34,400/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxx. Mr. Gambhirbhai Shamalbhai Parmar (“the Applicant”) has filed a Recovery Application No. 231 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 2,33,302/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxxi. Mr. Manharbhai Fulabhai Parmar (“the Applicant”) has filed a Recovery Application No. 232 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 2,30,030/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxxii. Mrs. Leelaben Arjunbahi Nayak (“the Applicant”) has filed a Recovery Application No. 233 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,40,887/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxxiii. Mr. Laxmanbhai Babarbhai Nayak (“the Applicant”) has filed a Recovery Application No. 234 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,25,118/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxxiv. Mr. Prabhatbhai Nanabhai Makwana (“the Applicant”) has filed a Recovery Application No. 236 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,38,357/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxxv. Mr. Kanubhai Chhatrasingh Solanki (“the Applicant”) has filed a Recovery Application No. 237 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is Rs. 1,38,247/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxxvi. Mr. Natwarbhai Nanabhai Makwana (“the Applicant”) has filed a Recovery Application No. 238 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,27,669/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxxvii. Mr. Khumansingh Chaturbhai Parmar (“the Applicant”) has filed a Recovery Application No. 239 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial

Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,38,247/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.

- xxxviii. Mr. Rameshbhai Punjabhai Parmar (“the Applicant”) has filed a Recovery Application No. 240 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,37,491/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xxxix. Mr. Babubhai Motibhai Padhiyar (“the Applicant”) has filed a Recovery Application No. 241 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,28,827/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xl. Mrs. Kalaben Gautambhai (“the Applicant”) has filed a Recovery Application No. 123 of 2012 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,04,104.20/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xli. Mr. Udesingh S Parmar (“the Applicant”) has filed a Recovery Application No. 120 of 2012 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,07,015.66/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xlii. Mr. Shaileshbhai Ramanbhai Parmar (“the Applicant”) has filed a Recovery Application No. 122 of 2012 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,12,398.65/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xliii. Mr. Sanjaybhai Babarbai Nayak (“the Applicant”) has filed a Recovery Application No. 121 of 2012 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 92,356.61/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xliv. Mr. Ramanbhai Manilal Chauhan (“the Applicant”) has filed a Recovery Application No. 119 of 2012 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,04,114.02/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xlvi. Mr. Sureshbhai Manekbhai Vasava (“the Applicant”) has filed a Recovery Application No. 118 of 2012 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,61,281.14/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xlvi. Mr. Manhar F Chauhan (“the Applicant”) has filed a Recovery Application No. 220 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,21,189/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xlvi. Mr. Dharmendrabhai Kalidas Baria (“the Applicant”) has filed a Recovery Application No. 214 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 2,56,888/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xlviii. Mr. Bhimabhai Chhatrasingh Chouhan (“the Applicant”) has filed a Recovery Application No. 219 of 2010 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,26,810/- together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
- xlix. Mr. Sumanbhai Bhailalbhai Vasava (“the Applicant”) has filed a Recovery Application No. 133 of 2012 against 20 Microns Limited before the Labour Court, Vadodara under Section 33 (C) (2) of the Industrial Disputes Act, 1947. The amount claimed by the Applicant is ₹ 1,00,107.96 together with interest at the rate of 18% per annum from the due date till payment. The matter is pending.
1. Mrs. Belaben Raghuveersingh Rathod (“the Applicant”) has filed a Reference No. 532 of 2009 against 20

Microns Limited before the Labour Court, Vadodara challenging her transfer by the Company to Bhuj plant of the Company and reinstating her to her original place of work at vadadala. The matter is pending.

- ii. Mr. Gambhibhai Shamalbhai Parmar, Mr. Manharbhai Shankarbhai Varia, Mr. Shashikant Mohanbhai Patel, Sureshbhai Manikchand Vasava through Chemical Mazdoor Panchayat (“the Applicant”) has filed a Reference (IT) No. 8 of 2011 against 20 Microns Limited before the Labour Court, Vadodara challenging their transfer by the Company to the plant of the Company situated in Uttar Pradesh and reinstating each of them to their respective original place of work at Vaghodia plant. The Company has filed its Reply to this Reference. The matter is pending.
- lii. Mr. Arjun Chawada, Mr. Anil Salunke and Mr. Vipul Patel through Chemical Mazdoor Panchayat (“the Applicant”) has filed a Reference (IT) No. 149 of 2012 against 20 Microns Limited before the Labour Court, Vadodara challenging their transfer by the Company to Viking Industries and reinstating each of them to their respective original place of work at Vadadala plant. The Company has filed its Reply to this Reference. The matter is pending.
- liii. Chemical Mazdoor Panchayat (“the Applicant”) has filed a Reference (IT) No. 272 of 2010 against 20 Microns Limited before the Labour Court, Vadodara challenging lock out of their 149 members by the Company. The said Applicant has also demanded that the said lock out may be declared illegal and the affected workers are paid full wages and statutory benefits till the time lock out is in force. The Company has filed its Reply to this Reference. The matter is pending.

## B. LITIGATIONS FILED BY OUR PROMOTERS

### 1. Litigation involving Criminal Matters:

- i. Criminal Complaint bearing No. 20385 of 2014 filed by 20 Microns Limited as the “**Complainant**” against Mr. Ramesh Varma, proprietor of Royal Logistics as the “**Accused**” before the Additional Chief Judicial Magistrate, Vadodara on May 17, 2014 under Section 138 of the Negotiable Instruments Act, 1881 on the grounds of dishonour of Cheque no. 141541 for ₹ 1, 50,000 (Rupees One lac fifty thousand only) drawn in favour of the Complainant on January 30, 2014 inter alia praying that summons be issued against the Accused for violation of Section 138 of the Negotiable Instruments Act, 1881 and for imposition of heavy punishment and fine upon the Accused after the trial. The matter is currently pending.
- ii. Criminal Complaint bearing number 7264 of 2014 filed by 20 Microns Limited as the “**Complainant**” against Mr. Kalim Khan, KK PVC Industries as the “**Accused**” under Section 138 of Negotiable Instruments Act, 1881 before the Additional Chief Judicial Magistrate, Baroda (“**Hon’ble Court**”) on the ground of dishonor of (i) Cheque bearing number 841661 dated September 28, 2013 for ₹ 1,00,000/- , (ii) Cheque bearing number 841660 dated October 01, 2013 for ₹ 1,00,000/- and (iii) Cheque bearing number 84162 for ₹ 1,53,430/- towards the goods supplied by the Petitioner to the Respondents and it was inter alia prayed that a warrant be issued by the court against the Respondents and that there was an outstanding amount of ₹ 3,53,430/- on account of supply of material and that the Accused be summoned to appear before the Hon’ble Court and it was inter alia prayed that after trial a heavy punishment and fine be imposed upon the Accused. The said matter is pending.

### 2. Litigation involving Actions by Statutory/Regulatory Authorities:

NIL

### 3. Litigation Involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in `)
1.	Income Tax	1	Unascertainable <sup>(1)</sup>
2.	Income Tax	1	Unascertainable <sup>(2)</sup>
3.	Income Tax	1	1,31,280 <sup>(3)</sup>
4.	Income Tax	1	64,25,540 <sup>(4)</sup>
5.	Income Tax	1	13,19,750 <sup>(5)</sup>
6.	Income Tax	1	5,95,950/- <sup>(6)</sup>

<sup>(1)</sup>Assessment Order dated March 30, 2010 was passed by the Assessing officer in respect of the Assessment Year 2005-2006 inter alia holding that as the assessee had not filed certificate under Form D in confirmation of deferment of tax converted into loan an amount of ₹ 27,74,727/- was to be added back



to total income of the assessee, pursuant to which a notice of demand dated March 30, 2010 was issued to the assessee under Section 156 of the Income Tax Act, 1961. Subsequently, an appeal against the aforesaid assessment order was preferred on April 23, 2010. The matter is currently pending before the Commissioner of Income-tax (Appeals).

<sup>(2)</sup>Assessment Order dated October 13, 2011 was passed by the Assessing officer in respect of the Assessment Year 2009-2010, pursuant to which a notice of demand dated October 13, 2011 under Section 156 of the Income Tax Act, 1961 along with a notice under Section 274 read with Section 271 of the Income Tax Act, 1961 was issued to the assessee. Subsequently, an appeal against the aforesaid assessment order was preferred on November 25, 2011. The matter is currently pending before the Commissioner of Income-tax (Appeals).

<sup>(3)</sup>Assessment Order dated March 04, 2013 was passed by the Assessing officer in respect of the Assessment Year 2010-2011, pursuant to which a notice of demand dated March 04, 2013 under Section 156 of the Income Tax Act, 1961 was issued to the assessee inter alia demanding that a sum of ₹ 1,31,280/- be paid by the assessee within period of 30 days from the receipt of the aforesaid notice. Separately, penalty proceedings were also initiated and a penalty order dated March 24, 2015 was issued pursuant to which a demand of ₹ 20,64,930/- was determined to be payable by 20 Microns Limited. Subsequently, an appeal against the aforesaid assessment order was preferred on March 26, 2013 before the Commissioner of Income-tax (Appeals) (“CIT-A”) which was partly allowed vide CIT-A’s order dated January 22, 2014. Thereafter, the assessee preferred an appeal against CIT-A’s order dated January 22, 2014 before the Income Tax Appellate Tribunal on January 22, 2014. The matter is currently pending before the Income Tax Appellate Tribunal.

<sup>(4)</sup>Assessment Order dated March 29, 2014 was passed by the Assessing officer in respect of the Assessment Year 2011-2012, pursuant to which a notice of demand dated March 29, 2014 under Section 156 of the Income Tax Act, 1961 was issued inter alia demanding that a sum of ₹ 64,25,540/- be paid by the assessee within period of 30 days from the receipt of the aforesaid notice. Subsequently, an appeal against the aforesaid assessment order was preferred on April 7, 2014 before the Commissioner of Income-tax (Appeals) (“CIT-A”) which was partly allowed vide CIT-A’s order dated May 8, 2015. Thereafter, the assessee preferred an appeal against CIT-A’s order dated May 8, 2015 before the Income Tax Appellate Tribunal on August 12, 2015 inter alia praying for the setting aside the CIT-A’s order dated May 8, 2015 on the issues raised in the grounds of appeal and restoration of the assessment order passed by the Assessing officer. The matter is currently pending before the Income Tax Appellate Tribunal.

<sup>(5)</sup>Assessment Order dated January 25, 2017 was passed by the Assessing officer in respect of the Assessment Year 2013-2014, pursuant to which a notice of demand dated January 25, 2017 under Section 156 of the Income Tax Act, 1961 was issued inter alia demanding that a sum of ₹ 13,19,750/- be paid by the assessee within period of 30 days from the receipt of the aforesaid notice. Subsequently, an appeal against the aforesaid assessment order was preferred on January 19, 2017. The matter is currently pending before the Commissioner of Income-tax (Appeals).

<sup>(6)</sup>Demand amount of ₹ 5,95,950/- in respect of A.Y. 2009-2010 is still pending.

## (ii) Indirect Tax Liabilities

NIL

## 4. Other Pending Litigations

- i. Regular Money Suit bearing No. 59 of 2014 filed by 20 Microns Limited as the “**Plaintiff**” against Rudraksh Laminates Private Limited as the “**Defendant**” before the Hon’ble Civil Judge (J.D), Waghodia on July 04, 2014 for the recovery of money in respect of the materials supplied to the Defendant based on the purchase orders placed by the Defendant inter alia praying for a judgment directing the Defendant to pay a sum of ₹ 1, 65, 375 (Rupees One lac sixty-five thousand three hundred and seventy-five only) along with an interest of 24% per annum from the date of filing the suit and the cost of the suit. The matter is currently pending.
- ii. Summary Suit bearing No. 3 of 2015 filed by 20 Microns Limited as the “**Plaintiff**” against Mr. Shaju Antony, Proprietor of Hypet Plastics as the “**Defendant**” before the Hon’ble Civil Judge of Waghodia, Waghodia under Order 37, Rule 1, 2 of Civil Procedure Code, 1908 on March 17, 2015 for the recovery of money in respect of the materials supplied to the Defendant inter alia praying for a judgment directing the Defendants to pay a sum of ₹ 75, 692 (Seventy-five thousand six hundred and ninety-two) along with an interest of 24% per annum from the date of filing the suit and the cost of the suit. The matter is currently pending.

- iii. Special Summary Suit bearing No. 15 of 2014 filed by 20 Microns Limited as the “**Plaintiff**” against M/s Reddy Polymers Limited as the “**Defendants**” before the Hon’ble Principal Civil Judge, Vadodara on February 02, 2014 under Order 37 of Civil Procedure Code, 1908 for the recovery of money in respect of the 16 tons of Microns Talc G-Flex supplied to the Defendants in July 2010 inter alia praying for a decree directing the defendants to pay a sum of ₹ 5, 92, 780 (Five Lakh Ninety-two thousand seven hundred and eighty only) along with additional interest of 18% till the actual payment of the amount. The matter is currently pending.
- iv. Regular Money Suit bearing number 270 of 2015 filed by 20 Microns Limited as the “**Plaintiff**” against Ilpea Paramount Limited as the “**Defendant**” before Principal Civil Judge, Waghodia for the recovery of ₹ 3,65,732/- from the Defendant for the material supplied to the Defendant and it was inter alia prayed that the Defendant be directed to repay the money along with 24% interest by any possible means. The said matter is pending.
- v. Special Money Suit bearing number 88 of 2015 filed by 20 Microns Limited as the “**Plaintiff**” against Raghuvver Urban Construction Private Limited as the “**Defendant**” before Principal Senior Civil Judge, Baroda, on March 13, 2015 for the recovery of ₹ 13,15,861/-from the Defendant for the material supplied to the Defendant and it was inter alia prayed that the Defendant be directed to repay the money along with 24% interest by any possible means. The said matter is pending. The Defendant filed its written statement on August 23, 2016, stating that the Plaintiff had supplied Inferior Quality Material amounting to ₹ 15,58,274/- and that the Special Money Suit bearing No. 88 of 2015 filed by the Plaintiff should be rejected and dismissed. The said matter is pending.
- vi. Special Summary Suit bearing number 73 of 2015 filed by 20 Microns Limited as the “**Plaintiff**” against Mr. Karan Grover, Kanu Industries as the “**Defendant**” under Order 37 Rule 1, 2 of The Code of Civil Procedure, 1908 before Principal Civil Judge, Baroda on July, 2015 for the recovery of ₹ 6,94,574/-from the Defendant for the material supplied to the Defendant and it was inter alia prayed that the Defendant be directed to repay the money along with 24% interest by any possible means. The said matter is pending.
- vii. Regular Summary Suit No. 4 of 2015 filed by 20 Microns Limited as the “**Plaintiff**” against KK PVC Industries as the “**Defendant**” under Order 37 Rule 1, 2 of the Code of Civil Procedure, 1908, before the Principal Civil Judge, Waghodia, on March 17, 2015 for the recovery of ₹ 3,53,430/- from the Defendant for the goods supplied to the Defendant and it was inter alia prayed that the Defendant be directed to repay the money along with 24% interest by any possible means. The said matter is pending.
- viii. Regular Civil Suit bearing number 4415 of 2015 filed by (1) 20 Microns Limited, (2) 20 Microns SDN BHD and (3) 20 Microns FZE, UAE as the “**Plaintiffs**” against ASCOM for Carbonate and Chemicals Manufacturing as the “**Defendant**” on December 28, 2015 before the Principal Civil Judge, Vadodara (“Hon’ble Court”) wherein it was inter alia prayed that (i) the Defendant be directed to render complete accounts for ascertainment of amount that may be ultimately be found due to the Plaintiffs, (ii) the Hon’ble Court pass a decree for taking accounts by directing the Defendant to render full and complete accounts including taking accounts of the Plaintiffs and ascertain the amounts that may be found due to each party and (iii) Decree for finally ascertained amount may be passed against the Defendant to pay up the dues that may be found to be payable on taking accounts. Thereafter, the Defendant submits that if the Plaintiff wants this Hon’ble Court to settle the accounts to tune of ₹ 2,64,11,400/-, the Plaintiff first needs to pay the correct corresponding court fee stamp. Subsequently the defendant filed an application dated May 10, 2016 to which a reply was filed by the Plaintiff dated October 14, 2016, inter alia praying that the application filed by the Defendant be rejected with exemplary costs. Separately, the Defendant filed its Written Statement dated October 07, 2016 inter alia denying the contents of the suit and stating that the suit is not maintainable and that that the Plaintiff should not be granted any relief in terms of the prayers prayed by them in the Regular Civil Suit. The said matter is pending.
- ix. Company Petition bearing number 240 of 2014 filed by the 20 Microns Limited as the “**Petitioner**” against the Kemrock Industries and Export Limited as the “**Respondent**” under section 433,434 and 439 of the Indian Companies Act, 1956 for the winding up of the Respondent, before the High Court of Gujarat at Sola, Ahmedabad (“**Hon’ble Court**”), on November, 2014, for the recovery of ₹ 9,54,516/- wherein it was inter alia prayed that (i) the Company namely Kemrock Industries and Exports Limited be wound up by and under the orders and directions of this Hon’ble Court, (ii) the Official Liquidator attached to the Hon’ble Court be appointed as the liquidator of the company with all powers, (iii) pending the hearing and final disposal of this petition, the official liquidator attached to the Hon’ble Court, or some other fit and proper person be appointed as the Provisional Liquidator and (iv) pending the hearing and final disposal of this petition, the company, its directors, managers, servants, agents and officers be restrained by an order of this Hon’ble Court in any manner directly or indirectly dealing with, disposing

off, alienating, selling encumbering, parting with possession or creating third party interest, transferring any of its assets and properties in whatsoever manner or any part thereof. Vide order dated May 04, 2015 the Hon'ble Court passed a final order for winding up against Kemrock Industries and Export Limited in the said petition. Thereafter a Special Leave petition bearing CC Number 19347-59/15 before the Supreme Court of India was filed by Samagra Jilla Engineering & General Kamdar Union, Vadodara, being the union of workers of Kemrock Industries and Export Limited against the Kemrock Industries, 20 Microns Limited and others inter alia praying that the Supreme Court of India stay the implementation and operation of the winding up order passed by the Hon'ble Court against the Respondent and pass such further orders as the Supreme Court of India may deem fit. The said matter is pending.

- x. Regular Money Suit bearing number 59 of 2014 filed by 20 Microns Limited as the “**Plaintiff**” against Mr. Rudraksh Laminates Private Limited as the “**Defendant**” before Civil Judge, Waghodia, on July 04, 2014 for the recovery of ₹ 1,65,375/- from the Defendant for the material supplied to the Defendant and it was inter alia prayed that the Defendant be directed to repay the money along with 24% interest by any possible means. The said matter is pending.

## **LITIGATIONS INVOLVING OUR GROUP COMPANIES**

### **A. LITIGATIONS FILED AGAINST OUR GROUP COMPANIES**

#### **1. Litigation involving Criminal Matters:**

NIL

#### **2. Litigation involving Actions by Statutory/Regulatory Authorities:**

For further details, kindly refer to the section titled “*Outstanding Litigations and Material Developments – Litigations Filed Against our Promoter - Litigation involving Actions by Statutory/Regulatory Authorities*” on page 242.

#### **3. Litigation Involving Tax Liabilities:**

##### **(i) Direct Tax Liabilities**

NIL

##### **(ii) Indirect Tax Liabilities**

NIL

#### **4. Other Pending Litigations**

NIL

## **LITIGATIONS FILED BY OUR GROUP COMPANIES**

#### **1. Litigation involving Criminal Liabilities:**

NIL

#### **2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

#### **3. Litigation Involving Tax Liabilities**

##### **(i) Direct Tax Liabilities**

NIL

##### **(ii) Indirect Tax Liabilities**

NIL

#### **4. Other Pending Litigations**

NIL

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.**

Except as disclosed under the headings titled “*Outstanding Litigations and Material Developments – Litigations Filed Against our Promoter - Litigation involving Actions by Statutory/Regulatory Authorities*” on page 242,

there are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

**Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences.

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies act enactment in the last 5 (five) years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

**Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

**Fines imposed or compounding of offences for default**

There are no other fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company for default or outstanding defaults.

**Non-Payment of Statutory Dues**

Except as disclosed under the chapter titled “Financial Information, as Restated”, there have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as of the date of the last audited financial statements of the Company. For details of dues of income tax, sales tax, customs duty, excise duty, value added tax and cess, which have not been deposited as on March 31, 2017 on account of disputes, see “Financial Statements” beginning on page 168 and “Outstanding Litigation and Material Developments – Litigations involving our Company – Litigation filed against our Company – Tax Liabilities” on page 240, respectively.

**Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006**

As of December 31, 2017, there were no cases of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006.

**Material Creditors of the Company having amount outstanding as on December 31, 2017 more than 5% of the Company’s trade payables as per last audited financial statements of our Company**

As of December 31, 2017, we had 156 creditors to whom a total amount amounting to ₹ 478.10 Lakh was outstanding out of which 5 creditors were material creditors in terms of the Materiality Policy and the total amount due to such material creditors was ₹ 207.59 Lakh.

Complete details of outstanding dues to our creditors as on December 31, 2017 are available at the website of our Company at [www.20nano.com](http://www.20nano.com).

*Information provided on the website of our Company is not a part of this DRHP and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, would be doing so at its own risk.*

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this DRHP, there have been no material developments since the date of the last financial statements as disclosed in the DRHP.

## GOVERNMENT AND OTHER KEY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out our existing activities and the proposed activities for which funds are being raised through this Issue.*

### Approvals for the Issue

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on October 13, 2017 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the extra ordinary general meeting held on November 6, 2017 authorized the Issue.
3. In-principle approval dated [●] from the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. The ISIN of our Company is INE799W01013.

### Approvals pertaining to Incorporation, name and constitution of our Company

1. Certificate of Incorporation dated October 28, 1993 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli (“RoC”) in the name of “Speciality Minerals Private Limited”
2. A fresh Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli (“RoC”) consequent upon conversion to public limited company dated August 30, 2001 for change in the name from “Speciality Mineral Private Limited” to “Speciality Minerals Limited”.
3. A fresh Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli (“RoC”) dated November 12, 2008 consequent upon change in the name of the Company from “Speciality Minerals Limited” to “20 Microns Nano Minerals Limited”.
4. The Corporate Identity Number (CIN) of the Company is U15543GJ1993PLC020540.

### I. GENERAL APPROVALS

1. ISO 9001:2008 Certificate of Registration for Quality Management System dated November 18, 2015 bearing Certificate No. BN14211/13727:1115 issued by BSCIC Certifications Pvt. Ltd inter alia certifying that the Company is in compliance with the requirements of ISO 9001:2008 for manufacture and supply of natural mineral products and additives, etc. The Certificate is having validity till September 23, 2018.
2. The Company has obtained a certificate of membership with the EXIM Club for the Financial Year 2017-18.
3. The Company has obtained Registration under the Employees Provident Funds & Miscellaneous Provisions Act, 1952 as an Employer bearing establishment code no. VDBRD0066813000 issued by the Employees Provident Fund Organization, which is valid until cancelled.
4. The Company has obtained Registration under the Employees State insurance Corporation Act, 1948 as an Employer bearing establishment Code No. 3800024716000499 issued by the Employees State Insurance Corporation, which is valid until cancelled.

5. The Company has obtained Certificate of Importer-Exporter Code (IEC) bearing no. 3408000735 issued by Office of Joint Director General Foreign Trade on May 18, 2015 which is valid until cancelled.
6. The Company has obtained Certificate of Enrollment under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 bearing no. PE 1922000268 dated June 8, 2011 which is valid until cancelled.
7. The Company has obtained Certificate of Registration as an Employer under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 bearing no. PR 1922000115 dated June 9, 2011 which is valid until cancelled.
8. The Company has obtained Acknowledgment under Part II for Industrial Entrepreneurs Memorandum (IEM), dated February 6, 2018, bearing IEM No. 190/SIA/IMO/2018 from the Secretariat of Industrial Assistance, Ministry of Commerce and Industry, Government of India in respect of its premises situated at Plot No-9, 10 & 336, GIDC Estate, Waghodia, Dist. Vadodara.
9. The Company has obtained Udyog Aadhar Memorandum bearing Udyog Aadhar No. GJ24C0021054 in respect of its premises situated at Plot No-9, 10, 336 and 347, GIDC Estate, Waghodia, Dist. Vadodara and Plot No 104/3, Tenkashi Road, Village-Puthur Allangulam, Dist. Tirunelveli.

## II. TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department	AACCS9803L	January 01, 2009.	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	RKTM02809C	-	Valid until cancelled
3.	Certificate of Provisional Registration under Form GST REG-25	GSTIN: 24AACCS9803 L1Z4	Government of Gujarat and Government of India	June 25, 2017	Valid until cancelled
4.	Certificate of Provisional Registration under Form GST REG-25	GSTIN: 08AACCS9803 L1ZY	Government of Rajasthan and Government of India	June 28, 2017	Valid until cancelled
5.	Certificate of Provisional Registration under Form GST REG-25	GSTIN: 33AACCS9803 L1Z5	Government of Tamil Nadu and Government of India	June 26, 2017	Valid until cancelled

## III. BUSINESS RELATED APPROVALS

Sr. No.	Property Description	Activities carried out by the Company	Licenses and Approvals Obtained	Date of Certificate	Date of Expiry
1.	Plot No-9,10 & 336, GIDC Estate, Waghodia, Dist. Vadodara	Manufacturing Activities	i.Revalidation of Registration-cum-Membership certificate bearing code CAPEXIL/W/006551 issued by the Executive Officer, CAPEXIL. (Formerly chemical and allied products export promotion council western region, Mumbai.)	September 23, 2015	March 31, 2018
			ii.Certificate of Verification bearing no. 112 issued by the Assistant Commissioner of Legal Metrology, Dist. Vadodara.	February 20, 2018	February 20, 2020

Sr. No.	Property Description	Activities carried out by the Company	Licenses and Approvals Obtained	Date of Certificate	Date of Expiry
			iii. License under the Contract Labour (Regulation and Abolition) act, 1970 bearing no. ACL/BRD/CLL/4245/20.*	May 8, 2005	March 31, 2018
2.	Plot No-11, GIDC Estate, Waghodia, Dist. Vadodara	Research and Development Activities	iv. Certificate of Registration of the in-house R&D unit with Department of Scientific and Industrial Research (“ <b>DSIR</b> ”) for the purposes of availing Customs Duty exemption and Central Excise Duty exemption.	July 6, 2016	March 31, 2019
3.	Plot No-347, GIDC Estate, Waghodia, Dist. Vadodara.	Manufacturing activities.	v. Certificate of Verification bearing no. 569957 issued by the Junior Inspector, Legal Metrology, Division: Dabhoi.	December 11, 2017	December 11, 2018
			vi. Test Certificate from the Chartered Engineer namely R.D. Engineer Associates Private Limited bearing no. RDEAPL/CERT/A26-03/26233 certifying that the equipments on the premises were in working condition.	December 15, 2017	N.A.
			vii. Approval of company layout issued by the Dy. Director, Industrial Safety and Health	March 8, 2018	N.A.
			viii. Consent to Establish (NOC) bearing no. GPCB/NOC-VRD-2861/ID-21864 granted by the Environmental Engineer, Gujarat State Pollution Control Board under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorization under Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2008 inter alia for the manufacture of hydrogel series, kaolin, organo clay series and silicon earth.	-	May 7, 2023
5.	Plot No 104/3, Tenkashi Road, Village-Putthur Allangulam, Dist. Tirunelveli	Manufacturing activities.	ix. Certificate of Verification bearing no. TN:400 issued by the Legal Metrology Officer, II Circle, Tirunelveli.	September 23, 2017	September 23, 2018
			x. Registration and grant of factory license bearing no TV 3076 issued by Joint Director, Industrial Safety and Health, Tirunelveli	<i>Date of Renewal:</i> March 12, 2018	December 31, 2018

Sr. No.	Property Description	Activities carried out by the Company	Licenses and Approvals Obtained	Date of Certificate	Date of Expiry
			xi. Fire Certificate issued by the Fire and Rescue Department, Tirunelveli District bearing L. DIS. No. 663/D/2017	February 2, 2018	February 1, 2019
6.	Survey No 682, Village, Nadapa, Bhuj	Mining Operations	xii. Transfer of mining lease for china clay, from Gopalbhai Rupabhai Gangal to the Company <sup>(1)</sup> , sanctioned vide order no. MCR-1095-4887-CHH by the Government of Gujarat, Industries and Mines Department in accordance with the Minerals Concession Rules, 1960	August 3, 1996	N.A.
			xiii. Grant of Transfer Mining Lease of China Clay from the Government of Gujarat, Industries Mines and Energy Department.	August 12, 1996	Valid for a period of 30 years with effect from May 25, 1982 <sup>(2)</sup>
			xiv. Renewal of the Mining Lease for china clay sanctioned vide order no. MCR-102002-3201-CHH by the Government of Gujarat, Industries Mines and Energy Department with effect from May 25, 2002.	January 24, 2007	Valid for a period of 20 years from May 25, 2002
			xv. Approval of Mining Plan of the lease submitted under the Gujarat Minor Minerals Concession (Amendment) Rules, 2015 by the Geologist, Commissionerate of Geology and Mining, Govt. of Gujarat, Gandhinagar(3)	March 04, 2016	Valid until cancelled.
			xvi. Environment Clearance for the China Clay Mining Project, subject to conditions stipulated therein, granted under the provisions of the Environment Impact Assessment Notification dated September 14, 2006 by the State Level Environment Impact Assessment Authority, Gujarat.	March 25, 2015	N.A.
7.	648/2, Gududu Village, Narpala Mandal, Anantpur Mines, Andhra Pradesh	Mining Operations	xvii. Application for Mining Lease (under Form 1) under the Mineral Concession Rules, 1960 before the Director, Department of Mines and Geology, Hyderabad.	February 18, 2009	N.A.
			xviii. Proposal for grant of Mining lease for dolomite over an extent of 10.60 Acres vide 16762/M.III(1)/2009-4 issued by the Government of Andhra Pradesh. Industries and Commerce [M-III] Department <sup>(4)</sup> .	April 16, 2012	Valid for a period of 20 years from the date of issue.
			xix. Approval of Mining plan for dolomite over an extent of 10.60 Acres granted vide Letter No:	June 15, 2013	Valid until cancelled.



Sr. No.	Property Description	Activities carried out by the Company	Licenses and Approvals Obtained	Date of Certificate	Date of Expiry
			7772/MP-ATP/2012 by the Government of Andhra Pradesh, Department of Mines and Geology in pursuance of the provisions of the Mineral Concession Rules, 1960.		
			xx.Environment Clearance bearing Order No. SEIAA/AP/ATP-65/2013 granted for 4.28 Ha Dolomite Mine by Senior Environmental Engineer, State Level Environment Impact Assessment Authority, Andhra Pradesh <sup>(5)</sup> .	October 25, 2013	Valid for a period of 20 years or expiry date of mining lease period issued by the Andhra Pradesh Government, whichever is earlier.
			xxi.Consent Order for Establishment bearing Order No. ATP-370/PCB/ZOK/CFE/2014-193 under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for mining of dolomite by the Andhra Pradesh Pollution Control Board.	May 14, 2014	Valid for period a period of 5 years from date of issue.

*\*This has been obtained under the name of our Promoter, 20 Microns Limited. The Company will be transferring the same its own name in due course. For further details, kindly refer to risk factor no. 5 appearing on page 19.*

*<sup>(1)</sup>The transfer of the mining lease has been granted in the name of Specialty Minerals Limited (now 20 Microns Nano Minerals Limited)*

*<sup>(2)</sup>Pursuant to the conditions of the order no. 1095-4887-CHH sanctioning the transfer of the mining lease to the Company, the transfer is to be valid for the remaining period of the lease only in spite of the transfer being in effect from August 3, 1996.*

*<sup>(3)</sup>Corrigendum issued by the Geologist, Commissioner of Geology and Mining, Govt. of Gujarat, Gandhinagar on May 18, 2016 to read the name as Mr. Raj Mahapatra instead of Mr. Raj Malhotra and the area as 73000 hectares instead of 5000 hectares.*

*<sup>(4)</sup>The proposal for grant of the mining lease has been granted in the name of Specialty Minerals Limited (now 20 Microns Nano Minerals Limited.)*

*<sup>(5)</sup>Amendment bearing order no. SEIAA/AP/ANT-65/2013 dated January 31, 2015 to the Environment clearance was issued by Member Secretary, State Level Environment Impact Assessment Authority, Andhra Pradesh for amending the mining capacity to 22,500 TPA.*

#### IV. APPROVALS RELATING TO INTELLECTUAL PROPERTY


##### TRADEMARKS

Sr. No.	Particulars of the mark	Word/Label/mark	Applicant	Trademark/ Application Number	Issuing Authority	Certificate Detail	Class	Period of validity
1.	HYDROXYL GEL	Word	20 Microns Nano Minerals Limited	2210481	Trade Marks Registry, Gujarat.	Certificate bearing No. 1342419 dated September 12, 2016	1	September 23, 2021

Sr. No.	Particulars of the mark	Word/Label/mark	Applicant	Trademark/Application Number	Issuing Authority	Certificate Detail	Class	Period of validity
2.	RIO-BENT	Device	20 Microns Nano Minerals Limited	2050225	Trade Marks Registry, Gujarat.	Certificate bearing No. 1061682 dated June 4, 2012	1	November 4, 2020
3.	VAPROGEL LABEL	Device	20 Microns Nano Minerals Limited	2050227	Trade Marks Registry, Gujarat.	Certificate bearing No. 1061614 dated June 2, 2012	1	November 4, 2020
4.	VAPOURLINK	Word	20 Microns Nano Minerals Limited	2081084	Trade Marks Registry, Gujarat.	Certificate bearing No. 1071802 dated August 14, 2012	1	January 5, 2021
5.	VAPORSIL	Label	20 Microns Nano Minerals Limited	2050226	Trade Marks Registry, Gujarat.	Certificate bearing No. 1061233 dated June , 2012	1	November 4, 2020

## V. PENDING APPROVALS

The Company has applied for the registration of the following approvals and the same are pending registration/receipt:

- Application dated December 29, 2015 filed before the Deputy Director, Industrial Safety and Health, for approval of registration and grant of new factory license in respect of the Company's premises located at Plot No. 347, GIDC, Waghodia, District: Baroda.
- Application dated October 24, 2016 under Form No. 3 filed before the Deputy Director, Industrial Safety and Health, for renewal of factory license for period of three years from January 1, 2017 to December 31, 2019 in respect of the Company's premises located at Plot No-9/10, GIDC Estate, Waghodia, District: Vadodara. The expired license and subsequent application for renewal has been made under the name of our Promoter, 20 Microns Limited. The Company will be transferring the same its own name upon receipt of the renewed license. For further details, kindly refer to risk factor no. 5 appearing on page 19.
- Application dated February 22, 2018 filed for renewal of the Consolidated Consent and Authorisation (CCA) bearing Consent order No. A-51630 before the Gujarat State Pollution Control Board for period of 5 years from October 19, 2017 to October 18, 2022 in respect of the Company's premises located at Plot No-9/10, GIDC Estate, Waghodia, District: Vadodara. The expired license and subsequent application for renewal has been made under the name of our Promoter, 20 Microns Limited. The Company will be transferring the same its own name upon receipt of the renewed license. For further details, kindly refer to risk factor no. 5 appearing on page 19.
- Application filed under Form No. 1 for permission to construct, extend or take into use any building as a factory in respect of the Company's premises located at Plot No. 347, GIDC, Waghodia, District: Baroda.
- Application bearing no. 8088676 filed before the Tamil Nadu Pollution Control Board for obtaining the consent to establish under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981.
- Application filed under Form TM-A for registration of trademark “” under Class 1, in the name of the Company, in accordance with the Trade Marks Act, 1999.

- Application bearing no. 616523, dated February 9, 2018 filed through the Investor Facilitation Portal Gujarat for approval of building plan before the GIDC and for consent to establish before the GPCB in respect of its proposed project located at plot no. 336, GIDC Estate, Waghodia, Dist. Vadodara.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on October 13, 2017, subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013.

The shareholders of our Company have approved this Issue under Section 62(1)(c) of the Companies Act 2013 *vide* a Special Resolution passed at our Company's Extra-ordinary General Meeting held on November 06, 2017.

Our Company has obtained approval from NSE EMERGE vide letter dated [●] to use the name of NSE EMERGE in this DRHP for listing of equity shares on the NSE EMERGE. NSE EMERGE is the Designated Stock Exchange.

### Prohibition by SEBI or Governmental Authorities

Our Company, our Directors, our Promoters, the Group Companies and companies or entities with which our Company's Directors are associated as Directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or Governmental Authority. The listing of any securities of our Company has never been refused at any time by any of the Stock Exchange in India. Except as disclosed in the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 240 of this DRHP, there are no violations of securities laws committed by them in the past or are pending against them. None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

### Prohibition of Wilful Defaulters

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters nor our Directors, are Wilful Defaulters.

### Association with Securities Market

None of our Directors have been associated with the securities markets in any manner. Except as disclosed in the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 240 of this DRHP, there has been no action taken by SEBI against the Directors or any entity in which any of the Directors is involved as a promoter or director, as on date.

### Eligibility for the Issue

Our Company is an unlisted issuer in terms of the SEBI ICDR Regulations and this Issue is an initial public offer in terms of the SEBI ICDR Regulations.

This Issue is being made in terms of Regulation 106M (2) of Chapter XB of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post issue face value capital exceeds ₹ 1,000 Lakh, may issue shares to the public and list the same on the Small and Medium Enterprise Exchange ("SME Exchange"), in this case being the NSE EMERGE.

Our Company confirms that:

- a. In accordance with Regulation 106P of the SEBI ICDR Regulations, this Issue has been hundred percent underwritten and that the BRLM to the Issue has underwritten not less than 15% of the offer through this DRHP. For further details pertaining to the said underwriting, kindly refer the chapter titled "*General Information – Underwriting and Underwriting Agreement*" beginning on page 59 of this DRHP.
- b. In accordance with Regulation 106R of the SEBI ICDR Regulations, our Company 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 becoming liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under

SEBI ICDR Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

- c. In accordance with Regulation 106O of the SEBI ICDR Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our BRLM submits the copy of Red Herring Prospectus / Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d. In accordance with Regulation 106V of the SEBI ICDR Regulations, we have entered into an agreement with the BRLM and Market Maker to ensure compulsory Market Making for a minimum period of 3 (three) years from the date of listing of Equity Shares offered in this Issue. For further details of the arrangement of Market Making, kindly refer the chapter titled “*General Information*” beginning on page 53 of this DRHP.
- e. The Company has track record of 3 years and a record of positive cash accruals (earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the application and the Net worth of the Company is positive.
- f. As on the date of this DRHP, our Company has a paid up share capital of ₹ 897 Lakh and the post issue capital will be of ₹ [●] Lakh.
- g. Our Company has not been referred to the Board for Industrial and Financial Reconstruction.
- h. There is no winding up petition against our Company, which has been admitted by the court and no liquidator has been appointed.
- i. No material regulatory or disciplinary action has been taken up by any stock exchange or regulatory authority in the past three years against our company.
- j. Our Company shall mandatorily facilitate trading in demat securities and enter into an agreement with CDSL and NSDL dated December 11, 2017 and December 22, 2017, respectively.
- k. We have a website: [www.20nano.com](http://www.20nano.com)

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106M(3) of SEBI ICDR Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI ICDR Regulations shall not apply to us in this Issue.

#### **Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO 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, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT**

INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MERCHANT BANKER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 19, 2018 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING 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 RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.-NOTED FOR COMPLIANCE
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE

RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC 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 COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
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 RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE RED HERRING PROSPECTUS.

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF SEBI ICDR REGULATIONS – NOT APPLICABLE

**ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. – NOTED FOR COMPLIANCE
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. – NOTED FOR COMPLIANCE
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING PROSPECTUS.
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE. – NOTED FOR COMPLIANCE

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS AND PROSPECTUS WITH THE ROC IN TERMS OF SECTIONS 26, 30 AND 32 OF THE COMPANIES ACT, 2013.



### **Disclaimer from the Company, Directors and the BRLM**

Bidders may note that our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this DRHP or in the advertisement or any other material issued by or at the instance of the Company and that any one, placing reliance on any other source of information including our Company's website, i.e., [www.20nano.com](http://www.20nano.com) would be doing so at his own risk.

### **CAUTION**

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement entered into between the BRLM and our Company dated March 6, 2018, the Underwriting Agreement dated [●] entered into among the Underwriter(s) and our Company and the Market Making Agreement dated March 6, 2018, entered into among the Market Maker, the BRLM and our Company. All information shall be made available by us and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

The BRLM and its respective associates and affiliates may engage in transactions with, and perform services for, our Company and our group companies, affiliates or associates in the ordinary course of business and have also engaged in past or may in the future be engaged to render such services in their professional capacities of their respective areas of operations with our Company, affiliates or associates, for which they have received, and may in the future receive, compensation.

**Note:** Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM, the Underwriter(s) 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 BRLM, the Underwriter(s) and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors and are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the applicable trust laws and who are authorized under their constitution to hold and invest in shares and to eligible non-residents, including NRIs, FIIs, FPIs and FVCIs. This DRHP does not, however, constitute an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this DRHP comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Vadodara, India only.

No action has been or will be taken to permit a public issue in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Disclaimer Clause of the SME Platform of NSE**

As required, a copy of the Draft Red Herring Prospectus shall be submitted to NSE EMERGE viz. the SME Platform of NSE. The Disclaimer Clause as intimated by the NSE Emerge to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the filing with RoC.

## **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

**The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## **Filing**

The Draft Red Herring Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in terms of Regulation 106O (1) of the SEBI ICDR Regulations. However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI at the SEBI Regional Office, Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad - 380009. A copy of the Red Herring Prospectus and Prospectus, along with the documents required to be filed under Sections 26 and 32 of the Companies Act, 2013 will be delivered to the RoC situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013.

## **Listing**

In terms of Chapter XB of the SEBI ICDR Regulations, there is no requirement of obtaining in-principle approval of NSE EMERGE. However, application shall be made to NSE EMERGE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. NSE EMERGE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares is not granted by NSE Emerge, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded within 15 (fifteen) days from the closure of the Issue or such lesser time as may be specified by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within 6 (six) Working Days of the Bid/Issue Closing Date.

The Company has obtained approval from NSE EMERGE vide letter dated [●] to use the name of NSE EMERGE in this offer document for listing of equity shares on NSE EMERGE.

## **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 and 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 price information of past issues handled by the BRLM

The price information of past issues handled by the BRLM, i.e., Vivro Financial Services Private Limited is given hereunder:

#### Price Information of Past Issue Handled by the BRLM

Sr. No	Issue Name	Issue Size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, (+/- % change in closing benchmark) - 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing
1.	Capacit'e Infraprojects Limited	400	250.00	September 25, 2017	399.00	+36.30% (+3.39%)	+57.42% (+6.67%)	N. A.
2.	Ice Make Refrigeration Limited	23.71	57.00	December 08, 2017	68.40	+101.67% (+18.50%)	+60.00% (+6.91%)	N. A.

**Note:** In case 30th/90th/180th day is not a trading day, closing price on the next trading day has been considered.

#### Summary statement of price information of past issues handled by the BRLM

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount – 30 <sup>th</sup> Calendar day from listing			Nos. of IPOs trading at premium – 30 <sup>th</sup> Calendar day from listing			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	2	423.71	-	-	-	1	1	-	-	-	-	-	-	-
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### Track record of past issues handled by the BRLM

For details regarding the track record of the Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, kindly refer to the website of the BRLM, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Vivro Financial Services Private Limited	<a href="http://www.vivro.net">www.vivro.net</a>

### Consents

Consents in writing of: (a) the Directors, the KMPs, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the BRLM, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red

Herring Prospectus/Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s K M Swadia & Company, Chartered Accountants, have provided their written consent for inclusion of their report dated December 30, 2017 on Restated Financial Statements and Statement of Tax Benefits dated December 30, 2017 respectively, which may be available to the Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus.

### **Expert Opinion**

Our Company has received written consent dated December 30, 2017 from the Statutory Auditors who holds a valid peer review certificate to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this DRHP and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated December 30, 2017 of our Company and the statement of tax benefits dated December 30, 2017, included in this DRHP and such consents have not been withdrawn as on the date of this DRHP.

### **ISSUE RELATED EXPENSES**

The expenses of the Issue include, among others, underwriting and management fees, selling commission, brokerage, printing and distribution expenses, legal fees, advertising expenses and listing fees. For details of total expenses of the Issue, kindly refer the chapter titled “*Objects of the Issue*” beginning on page 75 of this DRHP.

### **Fees, Brokerage and Selling Commission Payable to the BRLM**

The total fees payable to the BRLM (including underwriting commission and selling commission) is as stated in the Issue Agreement dated March 6, 2018, the Underwriting Agreement dated [●] and the Market Making Agreement dated March 6, 2018 among our Company and the BRLM and other parties, a copy of which will be made available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue dated March 6, 2018. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

### **Previous Public and Rights Issues**

Our Company has not made any rights and public issues in the past, and our Company is an unlisted company in terms of the SEBI ICDR Regulations and this Issue is an initial public offering in terms of the SEBI ICDR Regulations.

### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 63 of this DRHP, we have not issued any Equity Shares for consideration other than for cash.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiary / Associates**

None of our Group Company/ Subsidiary/Associates is listed on any Stock Exchange and hence there is no Capital Issue.

## **Promise v. Performance (Issuer and Listed Group Companies / Subsidiaries / Associates)**

Our Company has not made any rights and public issues in the past. None of our Group Company/ Subsidiary/Associates is listed on any Stock Exchange and not made any rights and public issues in the past.

## **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

## **Stock Market Data for our Equity Shares**

This being an initial public offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.

## **Mechanism for Redressal of Investor Grievances**

The Company has appointed **Link intime India Private Limited** as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investors.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name, address of the Bidder, PAN, DP ID, Client ID, number of Equity Shares applied for, amount blocked, ASBA Account number and name and address of relevant Designated Intermediary where the Bid cum Application Form was submitted by the ASBA Bidder. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board has vide its resolution dated July 07, 2017 constituted a Stakeholders Relationship & Share Transfer Committee. The composition of the Stakeholders Relationship Committee is as follows:

<b>Name of the Member</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>
Mr. Chandresh S. Parikh	Chairman	Director
Mr. Rajesh C. Parikh	Member	Director
Mr. Ramkisan A. Devidayal	Member	Independent Director

For further details, kindly refer the chapter titled "*Our Management*" beginning on page 143 of this DRHP.

The Company has also appointed **Mrs. Komal Tiwari** as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the Registered Office of our Company. The contact details are as follows:

**Mrs. Komal Tiwari**  
**20 Microns Nano Minerals Limited**  
9-10, GIDC Industrial Estate,  
Waghodia, Vadodara – 391760,  
Gujarat, India.  
**Telephone:** +91-02668-292297  
**Fax:** +91-02668-264003  
**E-mail:** [cs@20nano.com](mailto:cs@20nano.com)  
**Website:** [www.20nano.com](http://www.20nano.com)

Investors can contact the Compliance Officer or the Registrar to the Issue or the BRLM in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

### **Status of Investor Complaints**

We confirm that there are no investor complaints filed against the Company.

### **Disposal of Investor Grievances by Listed Companies under the same Management as the Company**

Except for our Corporate Promoter, 20 Microns Limited, there is no listed company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act, 1956.

### **Investor grievance mechanism and investor complaints for our Corporate Promoter**

Our Corporate Promoter has arrangements and mechanisms in place for redressal of investor grievance.

Our Corporate Promoter has received a total of 1 complaint and has resolved that complaint during the three financial years and the nine month period ended December 31, 2017.

There are no investor complaints pending as on the date of this Draft Red Herring Prospectus. The average time taken in resolving a complaint is seven working days.

### **Change in Auditors**

Pursuant to resolution passed by our members at the 22<sup>nd</sup> Annual General Meeting of our Company held on September 24, 2015, M/s. K M Swadia & Company, Chartered Accountants, Vadodara have been appointed as statutory auditors of our Company in place of M/s. N. C. Vaishnav & Co., Chartered Accountants, the retiring auditors.

### **Capitalisation of Reserves or Profits**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 63 of this DRHP, our Company has not capitalized our reserves or profits during the last 5 (five) years.

### **Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

## SECTION VII - ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being offered pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of the DRHP, RHP, the Prospectus, the Abridged Prospectus, any addendum/corrigendum thereto, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, 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, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the bidders have to compulsorily apply through the ASBA Process. Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Bid-cum-Application Forms. Investor may visit the official website of the concerned stock exchange 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 offered pursuant to the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. For further details, kindly refer the chapter titled “*Main Provisions of Articles of Association*” beginning on page 327 of this DRHP.

#### Mode of Payment of Dividend

We shall pay dividends, if declared, to our Shareholders, in accordance with the provisions of the Companies Act, Memorandum of Association, Articles of Association and provisions of the Equity Listing Agreement to be entered into with NSE and SEBI Listing Regulations. The declaration and payment of dividends will be recommended by our Board of Directors and be approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash. For further details in relation to dividends, kindly refer the chapters titled “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 167 and 327, respectively of this DRHP.

#### Face Value and Issue Price per Share

The face value of the Equity Shares is ₹ 10/- each. The Floor Price of Equity Shares is ₹ [●]/- per Equity Share and is [●] times the face value of the Equity Shares and the Cap Price is ₹ [●]/- per Equity Share and is [●] times the face value of the Equity Shares. The Issue Price is [●] times the face value of the Equity Shares. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Price Band, Issue Price and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book Building and advertised in [●] edition of [●] [●] edition of [●], and [●] edition of [●] which are widely circulated in English, Hindi and Gujarati newspapers, respectively (Gujarati being the local language of Gujarat, where our registered office is located) and made available on the website of the NSE, at least 5 (five) Working Days prior to the Bid/Issue Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchange.

#### Compliance with the SEBI ICDR Regulations

Our Company shall comply with all the requirements of SEBI ICDR Regulations and the disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- 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 laws 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, the terms of the listing agreements with NSE EMERGE and SEBI Listing Regulations and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, kindly refer the chapter titled “*Main Provisions of Articles of Association*” beginning on page 327 of this DRHP.

## **Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialised form for all Bidders. In this context, 2 (two) agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated December 22, 2017 among NSDL, our Company and the Registrar to the Issue; and
- Agreement dated December 11, 2017 among CDSL, our Company and the Registrar to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE EMERGE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Bidders.

## **Minimum Number of Allottees**

In accordance with the Regulation 106R of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-owners with benefits of survivorship.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be offered or sold within the United States (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 are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**



## **Nomination Facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective depository participant.**

## **Period of operation of subscription list**

For details, kindly refer the chapter titled “*General Information – Bid/Issue Schedule*” on page 58 of this DRHP.

## **Minimum Subscription and Underwriting**

In terms of Regulation 14 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the Issue including devolvement of Underwriter(s), if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI Regulations and applicable laws.

In terms of Regulation 106P (1) of the SEBI ICDR Regulations, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information - Underwriting and Underwriting Agreement*” on page 59 of this DRHP.

Further, in accordance with Regulation 106Q of the SEBI ICDR Regulations, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

## **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange, i.e, NSE EMERGE on which Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will 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 subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through this DRHP, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the RHP and Prospectus.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 106V (5) of the SEBI ICDR Regulations, 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 NSE EMERGE.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for (a) the lock-in of the pre-Issue capital of our Company and the Promoters' Contribution as provided in "*Capital Structure*" on page 63 and (b) otherwise provided in our Articles of Association, as described in the chapter titled "*Main Provisions of the Articles of Association*" beginning on page 327, there are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting.

### **Option to Receive Securities in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares being offered through the Red Herring Prospectus can be applied for and will be allotted in dematerialized form only. Bidders will not have the option of Allotment of the Equity Shares in physical form. Further, as per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the NSE EMERGE for a minimum period of two years from the date of listing and only after that our Company can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI ICDR Regulations.

As per the provisions of the Chapter XB of the SEBI ICDR Regulations, the migration to the Main board of NSE from the NSE EMERGE on a later date shall be subject to the following:

- If the face value capital of our Company is likely to increase above ₹ 2,500 Lakh by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the Main Board), we shall have to apply to NSE for listing of 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.
- If the face value capital of our Company is more than ₹ 1,000 Lakh but below ₹ 2,500 Lakh, we may still apply for migration to the Main Board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares issued through this Issue are proposed to be listed on the SME Platform of NSE, wherein the BRLM to this Issue shall ensure compulsory Market Making through a registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the NSE EMERGE.

For further details of the agreement entered into between our Company, the BRLM and the Market Maker, kindly refer the chapter titled "*General Information – Market Making and Market Making Arrangement*" on page 60 of this DRHP.

## ISSUE STRUCTURE

*The present Issue is made by our Company in terms of Regulation 106M (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-Issue paid-up Equity Share capital of our Company are being offered to the public for subscription. Our Company proposes to list the Equity Shares offered in the present Issue on NSE EMERGE. For further details on the salient features and terms of the Issue, kindly refer the chapters titled “Terms of the Issue” and “Issue Procedure” beginning on page 271 and 278 of this DRHP.*

### Issue Structure

Initial public offer of [●] Equity Shares of face value of ₹ 10/- each of 20 Microns Nano Minerals Limited our Company for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating up to ₹ 2,100 Lakh.

*Our Company, in consultation with the Book Running Lead Manager, may consider the allotment of [●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ 500 Lakh on private placement basis, prior to filing of Red Herring Prospectus with the Registrar of Companies, Ahmedabad (“Pre-IPO Placement”). In case the Pre-IPO Placement is made by our Company, the size of the Issue as disclosed herein will be reduced to the extent of Pre-IPO Placement subject to compliance with Rule 19(2)(b) of SCRR.*

The Issue is being made through the Book Building Process.

Particulars	Market Maker Reservation Portion	Net Issue to the Public	
		Retail Individual Investors Category	Other Investors Category
Number of Equity Shares available for allocation/ Allotment	[●] Equity Shares	[●] Equity Shares	
Percentage of Issue Size available for allocation/ Allotment	[●] % of the Issue Size	[●] % of the Issue Size	
Basis of Allotment/ allocation	Firm Allotment	Refer note 4 below	
Minimum Bid	[●] Equity Shares	[●] Equity Shares	Such number of Equity Shares in Bid Lot(s) so that the Bid amount exceeds ₹ 2,00,000.
Maximum Bid	[●] Equity Shares	Such number of Equity Shares in a Bid lot so that the Bid amount does not exceed ₹ 2,00,000.	Such number of Equity shares offered in the Net Issue to the Public subject to the limits on investment as may be applicable to the investors under the relevant laws.
Bid Lot	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Mode of Allotment	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode	
Trading Lot	[●] Equity Shares However, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations.	[●] Equity Shares	[●] Equity Shares

Particulars	Market Maker Reservation Portion	Net Issue to the Public	
		Retail Individual Investors Category	Other Investors Category
<b>Mode of Application</b>	Through ASBA process only		
<b>Terms of Payment</b>	The entire Bid Amount will be payable at the time of submission of Bid cum Application Form.		

**Note:**

1. The number of Equity Shares to be allocated in each category shall be determined by our Company in consultation with the BRLM subject to provisions of SEBI ICDR Regulations.
2. The allotment of Equity Shares in Retail Individual Investors Category and Other Investors Category shall be subject to spill-over of Equity Shares from other category in case of under-subscription in either category.
3. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
4. **Basis of Allotment in Net Issue to the Public:**
  - A. **Retail Individual Investors Category:** The allotment of Equity Shares in Retail Individual Investors Category will be made in accordance with regulation 50(1A) of SEBI ICDR Regulations, i.e., each Retail Individual Investor shall be allotted not less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category, and the remaining available shares, if any, shall be allotted on a proportionate basis subject to minimum Bid Lot. For further details, kindly refer the section titled “*Issue Procedure*” on page 278 of this DRHP.
  - B. **Other Investors Category:** The allotment of Equity Shares in Other Investors Category will be made on proportionate basis subject to minimum Bid Lot. For further details, kindly refer the section titled “*Issue Procedure*” on page 278 of this DRHP.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under —Part B – General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

*Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSBs at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Bid cum Application Forms are provided on [www.nseindia.com](http://www.nseindia.com). For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned National Stock Exchange of India Limited website.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.*

## BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106M (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process. The number of Equity Shares to be allocated in Retail Individual Investors Category and Other Investors Category shall be determined by our Company in consultation with BRLM subject to the provisions of SEBI ICDR Regulations. The allotment of Equity Shares in Retail Individual Investors Category will be made in accordance with Regulation 50(1A) of SEBI ICDR Regulations, i.e., each Retail Individual Investor shall be allotted not less than the minimum Bid Lot subject to availability of shares in Retail Individual Investors Category, and the remaining available shares, if any, shall be allotted on a proportionate basis subject to minimum Bid Lot. The allotment of Equity Shares in Retail Individual Investors Category and Other Investors Category shall be subject to spill-over of Equity Shares from other category in case of under-subscription in either category.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

## BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Bidders shall only use the specified Application Form for the purpose of making an application in terms of the Draft Red Herring Prospectus. The Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Bidders 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 issue 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:

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

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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

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Upon completion and submission of the Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

## **WHO CAN BID?**

In addition to the category of Bidders set forth under —General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **a) For Retail Individual Bidders:**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000.

### **b) For Other Bidders (Non-Institutional Bidders and QIBs):**

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid. The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

## **INFORMATION FOR THE BIDDERS**

a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.

b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper, i.e. Gujarati, with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.

c. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is ₹ [●] - ₹ [●] per Equity Share. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share and the minimum Bid Lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper, i.e. Gujarati, with wide circulation.

d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchange where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum Application Forms available on the websites of the stock exchanges.



e. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

**The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.**

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.

b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid-cum-Application Form from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

#### **AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **PARTICIPATION BY ASSOCIATED/AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS**

The BRLM and the Syndicate Member(s), if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATIONS BY ELIGIBLE NRI'S**

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

#### **BIDS BY FPIs INCLUDING FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCFs, AIFs AND FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

### **BIDS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, (the "IRDA Investment Regulations") are broadly set forth below:

- 1) 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;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2,500 Lakh (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakh, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in

part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2,500 Lakh (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakh, 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 Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

**The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.**

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of ₹ 2,500 Lakh (subject to applicable law) and pension funds with minimum corpus of ₹ 2,500 Lakh, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a) (v) (c) (i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

## **BIDS BY SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

## **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

## **TERMS OF PAYMENT**

### **Terms of Payment**

The entire Issue Price of ₹ [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Other Investors Category Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be. Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

## **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated [●].
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act, 2013 and section 26 of the Companies Act, 2013.

## **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, i.e Gujarati Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the

Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

## **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

## **GENERAL INSTRUCTIONS**

### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in —active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;

14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
23. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Dont's:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. If you are a Non-Institutional Investor or Retail Individual Bidder do not submit your Bid after 3.00 pm on the Bid/ Issue Closing Date;
14. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit more than five Bid cum Application Forms per ASBA Account;
18. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

### **COMMUNICATIONS**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.



## IMPERSONATION

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who—*

*a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

***shall be liable for action under Section 447.”***

## UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period.

## UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Fresh issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;

2. details of all monies utilized out of the Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of the SEBI LODR Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders / Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders / Applicants should rely on their own examination of the Company and the Issue, and should carefully read the Red Herring Prospectus/ Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “**SEBI ICDR Regulations**”).

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the Company undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Company with the Registrar of Companies (“RoC”). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ Application Form and the Abridged Prospectus of the Company in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Company is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants may refer to “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs on SME Platform

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Company to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Company.

For undertaking an IPO, a Company is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Company, Bidders/Applicants may refer to the RHP/ Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Company to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed company.

For undertaking an FPO, the company is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/ 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the company, Bidders/ Applicants may refer to the RHP/ Prospectus.

The Issuer may also undertake IPO/FPO under of chapter XB of the SEBI ICDR Regulations, wherein as per –

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (2) of Chapter XB of SEBI ICDR Regulations.

### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an company proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI ICDR Regulations –

- In accordance with Regulation 106P of the SEBI ICDR Regulations, the Issue has to be hundred percent underwritten and that the BRLM to the Issue has to underwrite not less than 15% of the total Issue Size.
- In accordance with Regulation 106R of the SEBI ICDR Regulations, the Company 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 becoming liable to repay it, then the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI ICDR Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- In accordance with Regulation 106O the SEBI ICDR Regulations, the Company is not required to file any Offer Document with SEBI nor the SEBI issue any observations on the Offer Document. The BRLM shall submit the copy of Red Herring Prospectus / Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus / Prospectus with Stock Exchange and the Registrar of Companies.
- In accordance with Regulation 106V of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- The company should have track record of at least 3 years.
- The company should have 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.
- The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crore
- The issuer shall mandatorily facilitate trading in demat securities.
- The issuer should not been referred to the Board for Industrial and Financial Reconstruction.
- No winding up petition is admitted by a court and no liquidator should have been appointed.
- No material regulatory or disciplinary action has been taken up by any stock exchange or regulatory authority in the past three years against the Issuer.
- The Company should have a website.

As per Regulation 106M (3) of the SEBI ICDR Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation

(1) of Regulation 49 of SEBI ICDR Regulations shall not apply to us in this Issue.

## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, a company can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). A company may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of affixed price issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The company shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least 5 (five) Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least 1 (one) Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/ Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.5 Issue Period**

The Issue may be kept open for a minimum of 3 (three) Working Days (for all category of Bidders/ Applicants) and not more than 10 (ten) Working Days. Bidders/Applicants are advised to refer to the Bid Cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the company may close the Bid/ Issue Period for QIBs 1 (one) Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least 3 (three) Working Days, subject to the total Bid/ Issue Period not exceeding 10 (ten) Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Company on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## **2.6 Migration to Main Board**

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- (a) If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in 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), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board. OR
- (b) If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

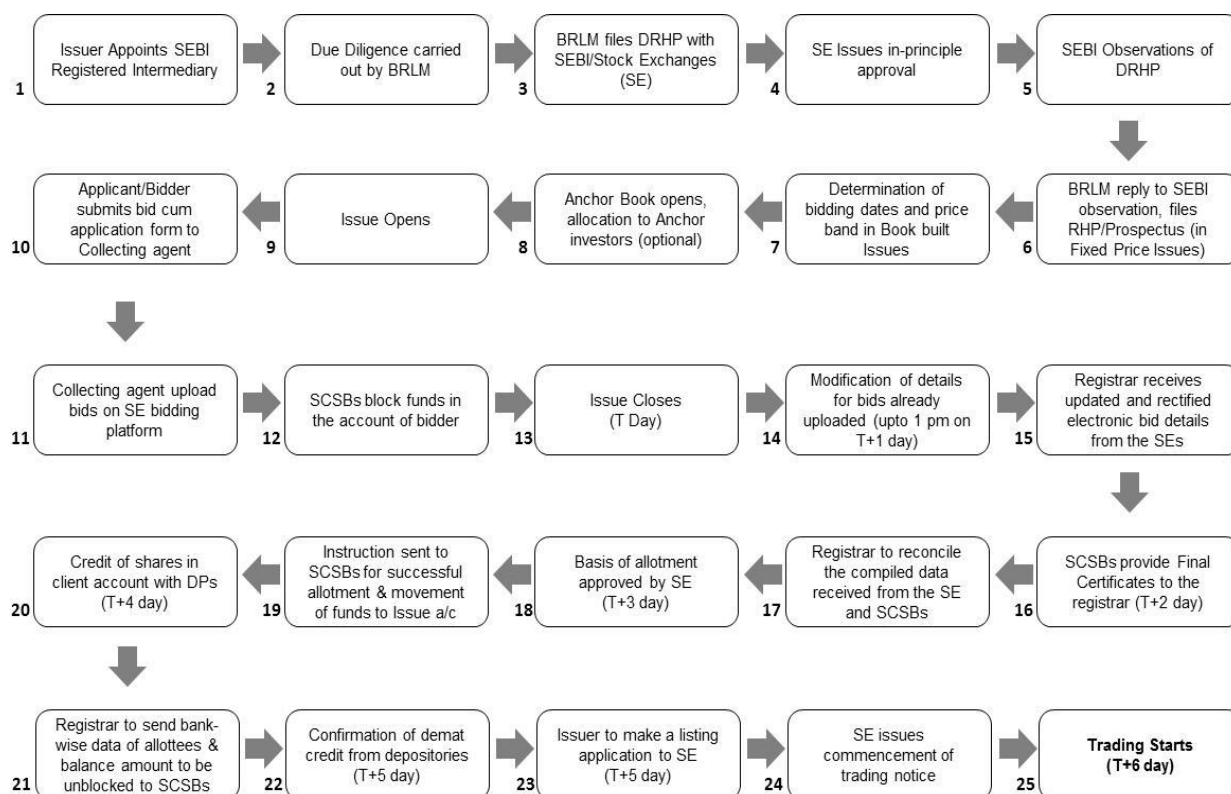
## **2.7 Flow Chart Of Timelines**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs.:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- (i) Step7: Determination of Issue Date and Price;

- (ii) Step10: Applicant submits ASBA Application Form with Designated Branch of SCSB;
- (iii) Step11: SCSB uploads ASBA Application details in Stock Exchange Platform;
- (iv) Step12: Issue period closes;
- (v) Step15: Not Applicable.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/ Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/ Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/ Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders/ Applicants is as follows:

- i. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- ii. Bids/ Applications belonging to an account for the benefit of a minor( under guardianship);
- iii. Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/ Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ Application Form as follows:
- iv. “Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;
- v. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- vi. QIBs;
- vii. NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- viii. Qualified Foreign Investors subject to applicable law;
- ix. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- x. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- xi. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional Investors (NIIs) category;
- xii. FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- xiii. FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- xiv. Trusts/ societies registered under the Societies Registration Act, 1860 or under any other law relating to

- trusts/ societies and who are authorised under the irrespective constitutions to hold and invest in equity shares;
- xv. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- xvi. Any other person eligible to Bid/ Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of Registrars to an Issue and Share Transfer Agents (RTAs) or stamp of Depository Participants (DPs), or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Company. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least 1 (one) day prior to the Bid/ Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/ Prospectus.

**Fixed Price Issue:** Applicants should only use the specified Cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Company. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/ Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis.	White
NRIs, FVCIs, foreign individuals bidding under the QIB), Eligible FPIs, on are repatriation basis.	Blue
Anchor Investors (where applicable) & Bidders/ Applicants bidding/ applying in the reserved category.	As specified by the Issuer
Eligible Employees.	Pink

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

# APPLICATION FORM FOR RESIDENT BIDDERS

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : _____ Contact Details : _____ CTN No. _____	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																																			
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## APPLICATION FORM FOR NON RESIDENT BIDDERS

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : _____ Contact Details : _____ CIN No : _____	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCS, ETC APPLYING ON A REPATRIATION BASIS</b>																																																																																																																																																																											
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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No. _____</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bank &amp; Branch _____</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				ASBA Bank A/c No. _____				Bank & Branch _____				Stamp & Signature of Broker / SCSB / DP / RTA Name of Sole / First Bidder _____ <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. _____																																																																																																																																																			
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### 4.1.1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/ APPLICANT

- (a) Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/ Applicants should note that the name and address fields are compulsory and e-mail and/ or telephone number/ mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum Application Form/ Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of ASB A

Bidders/ Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Company, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

- (c) **Joint Bids/ Applications:** In the case of Joint Bids/ Applications, the Bids / Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such First Bidder/ Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder/ Applicant whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

- (d) **Impersonation:** Attention of the Bidders/ Applicants is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- 1. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- 2. 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*
- 3. 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.*
- 4. The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount.”*

- (e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

#### **4.1.2. FIELD NUMBER 2: PAN NUMBER OF SOLE/ FIRST BIDDER/ APPLICANT**

- (a) PAN (of the sole/ First Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim (“**PAN Exempted Bidders/ Applicants**”). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. A Bid cum Application Form/ Application Form without PAN, except in case of Exempted Bidders/ Applicants, is liable to be rejected. Bids/ Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/ Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/ Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as “**Inactive demat accounts**” and demographic details are not

provided by depositories.

#### **4.1.3. FIELD NUMBER 3: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/ Application Form. The DP ID and Client ID provided in the Bid cum Application Form/ Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form/ Application Form is liable to be rejected.
- (b) Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/ Application Form is active.
- (c) Bidders/ Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/ Application Form, the Bidder/ Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice or unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Bidders/ Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/ Applicants' sole risk.

#### **4.1.4. FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Company. The Company is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least 1 (one) English, 1 (one) Hindi and 1 (one) regional newspaper, with wide circulation, at least 5 (five) Working Days before Bid/ Issue Opening Date in case of an IPO, and at least 1 (one) Working Day before Bid/ Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs / FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (section 5.6 (e))).
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Company in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of above ₹ 1,00,000. The minimum Bid Lot is accordingly determined by a company on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Company.

##### **4.1.4.1 Maximum and Minimum Bid Size**

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors and Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (b) For NRIs, a Bid Amount of up to ₹ 2,00,000 may be considered under the Retail Portion for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Company, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (section 5.6 (e))

#### **4.1.4.2 Multiple Bids**

- (a) Bidder should submit only 1 (one) Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at 3 (three) different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made

by them in the Net Issue portion in public category.

- ii. Separate Bids by Mutual Funds in respect of more than 1 (one) scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.5. FIELD NUMBER 5: CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Portion can be allocated by the Company, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/ Prospectus.
- (c) A Company can make reservation for certain categories of Bidders/ Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Bidders/ Applicants may refer to the RHP/ Prospectus.
- (d) The SEBI ICDR Regulations specify the allocation or allotment that may be made to various categories of Bidders in the Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/ Applicant may refer to the RHP/ Prospectus.

#### **4.1.6. FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/ Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/ Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/ Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.
- (c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/ Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7. FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than 1 (one) Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of 3 (three) options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) Bidders can participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

#### **4.1.7.1 Payment instructions for ASBA Bidders**

- (a) ASBA Bidders may submit the Bid cum Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Bidders/ Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - iii. in physical mode to a member of the Syndicate at the Specified Locations, or Registered Brokers of the Stock Exchange or RTAs or DPs.
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From 1 (one) ASBA Account, a maximum of 5 (five) Bids cum Application Forms can be submitted.
- (f) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least 1 (one) branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at [http:// www.sebi.gov.in](http://www.sebi.gov.in)).
- (g) ASBA Bidders bidding through a Registered Broker/**RTAs/DPs** should note that Bid cum Application Forms submitted to the Registered Brokers/ **RTAs/DPs** may not be accepted by the Registered Broker/ **RTAs/DPs**, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least 1 (one) branch at that location for the Registered Brokers. **RTAs/DPs** to deposit Bid cum Application Forms.
- (h) ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 (six) Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.2 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.7.3 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/ Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than 2 (two) lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8. FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/ Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorization/ undertaking box in the Bid cum Application Form/ Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/ Application Form.
- (d) Bidders/ Applicants must note that Bid cum Application Form/ Application Form without signature of Bidder/ Applicant and / or ASBA Account holder is liable to be rejected.

#### **4.1.9. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of

the Syndicate, Registered Broker, RTAs or SCSB, as applicable, for submission of the Bid cum Application Form.

- (b) All communications in connection with Bids/ Applications made in the Issue should be addressed as under:
  - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/ Applicants should contact the Registrar to the Issue.
  - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/ Applicants should contact the relevant Designated Branch of the SCSB.
  - (iii) In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/ Applicants should contact the relevant Syndicate member(s).
  - (iv) In case of queries/RTA/DP relating to uploading of Bids by a Registered Broker, the Bidders/ Applicants should contact the relevant Registered Broker RTA/DP.
  - (v) Bidder/ Applicant may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.
- (c) The following details (as applicable) should be quoted while making any queries -
  - (i) full name of the sole or First Bidder/ Applicant, Bid cum Application Form number, Applicants'/ Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - (ii) name and address of the member of the Syndicate, Registered Broker RTA/DP or the Designated Branch, as the case may be, where the Bid was submitted or
  - (iii) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/ Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/ Issue Period, any Bidder/ Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/ Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/ Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/ Applicant had placed the original Bid. Bidders/ Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

#### ***Revision Form***

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:



<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
	Address : _____ Contact Details : _____ CIN No. _____	
LOGO	TO: THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____
		Bid cum Application Form No. _____

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE / FIRST BIDDER</b> _____
<b>SCB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> _____ For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID _____

PLEASE CHANGE MY BID												
4. FROM (AS PER LAST BID OR REVISION)												
Bid Options	No. of Equity Shares: Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options	No. of Equity Shares: Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>
6. PAYMENT DETAILS												
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____										PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>		
ASBA Bank A/c No. _____												
Bank Name & Branch _____												
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBREVED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.</small>												
7A. SIGNATURE OF SOLE / FIRST BIDDER				7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)				BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)				
Date : _____				I/We authorize the SCSB to do all acts as are necessary to make the Application in the form								
				1) _____ 2) _____ 3) _____								

LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
DPID / CLID	PAN of Sole / First Bidder		
Additional Amount Paid (₹)		Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.			
Received from Mr./Ms.			
Telephone / Mobile	Email		

<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1 No. of Equity Shares Bid Price Additional Amount Paid (₹) ASBA Bank A/c No. Bank & Branch	Option 2 No. of Equity Shares Bid Price Additional Amount Paid (₹) ASBA Bank A/c No. Bank & Branch	Option 3 No. of Equity Shares Bid Price Additional Amount Paid (₹) ASBA Bank A/c No. Bank & Branch	Stamp & Signature of Broker / SCSB / DP / RTA Name of Sole / First Bidder Acknowledgement Slip for Bidder Bid cum Application Form No. _____
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#### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER/ APPLICANT, PAN OF SOLE/ FIRST BIDDER/ APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT

Bidders/ Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/ Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/ Applicant has Bid for 3 (three) options in the Bid cum Application Form and such Bidder/ Applicant is changing only one of the options in the Revision Form, the Bidder/ Applicant must still fill the details of the other 2 (two) options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers RTAs, DPs and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/ Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/ Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In

case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/ Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker/RTA/DP or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate /Registered Broker/RTAs/DPs to whom the original Bid was submitted.
- (d) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/ Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### **4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER/ APPLICANT, PAN OF SOLE/ FIRST BIDDER/ APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Company may mention Price or Price band in the draft Prospectus. However a prospectus registered

with RoC contains one price or coupon rate (as applicable).

- (b) **Minimum Application Value and Bid Lot:** The Company in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of above ₹ 1,00,000. The minimum Lot size is accordingly determined by a Company on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Company, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only 1 (one) Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/ Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than 1 (one) scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) A Company can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### **4.3.5.1 Payment instructions for ASBA Applicants**

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From 1 (one) ASBA Account, a maximum of 5 (five) Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 5 (five) Working Days of the Issue Closing Date.

#### 4.3.5.2 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms,
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) (The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable)).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/ APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed Bid cum Application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
ASBA Application	<ul style="list-style-type: none"><li>(i) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres;</li><li>(ii) To the Designated branches of the SCSBs where the ASBA Account is maintained:<ul style="list-style-type: none"><li>1. Depository Participant;</li><li>2. Stock Brokers registered with a recognised stock exchange;</li><li>3. Registrar to the Issue and share transfer agent.</li></ul></li></ul>

- (a) Bidders/ Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection bank. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/ Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker RTAs or DPs or the SCSB through which such Bidder/ Applicant had placed the original Bid.
- (c) Upon submission of the Bid cum Application Form, the Bidder/ Applicant will be deemed to have authorized the Company to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be

required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.

- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/ Issue Period, Bidders/ Applicants may approach the members of the Syndicate at the Specified Cities, any of the Registered Brokers or the Designated Branches, a stock broker registered with a recognised stock exchange, a depository participant, or the registrar and share transfer agent to register their Bids.
- (b) In case of ASBA Bidders/ Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/ Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/ Applicants may approach the members of the Syndicate, any of the Registered Brokers RTAs or DPs or the Designated Branches a stock broker registered with a recognised stock exchange, the Registrar and share transfer agent to register their Bids.
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/ Applicants are requested to refer to the RHP.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Syndicate, the Registered Brokers RTAs or DPs and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers RTAs or DPs and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/ Issue Closing Date, the Syndicate, the Registered Broker RTAs or DPs and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers RTAs or DPs and the SCSBs are given upto 1 (one) day after the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/ Applicants through the Syndicate, Registered Brokers RTAs or DPs and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate member(s) or the Registered Broker, RTAs or DPs as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

- (b) In case a RII wishes to withdraw the Bid after the Bid/ Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The members of the Syndicate, the Registered Broker RTAs or DPs and/ or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
  - (i) the Bids accepted by the members of the Syndicate, the Registered Broker RTAs or DPs and the SCSBs,
  - (ii) the Bids uploaded by the members of the Syndicate, the Registered Broker RTAs or DPs and the SCSBs,
  - (iii) the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker RTAs or DPs and the SCSBs, or
  - (iv) With respect to Bids by ASBA Bidders/ Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLM and their affiliate syndicate member(s), as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate syndicate member(s) (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/ Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLM, (ii) Registered Brokers, or (iii) SCSBs, or (iv) RTAs or (v) DPs or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/ Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/ Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/ Applications by OCBs;
- (c) In case of partnership firms, Bid/ Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/ Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/ Application Form;
- (e) Bids/ Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/ Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/ Application Form;

- (h) PAN not mentioned in the Bid cum Application Form/ Application Form except for Bids/ Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/ Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/ Applications at a price less than the Floor Price & Bids/ Applications at a price more than the Cap Price;
- (l) Bids/ Applications at Cut-off Price by NIIs and QIBs;
- (m) The amounts mentioned in the Bid cum Application Form/ Application Form does not tally with the amount payable for the value of the Equity Shares Bid/ Applied for;
- (n) Bids/ Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) Submission of more than 5 (five) Bid cum Application Forms/ Application Form as per ASBA Account;
- (p) Bids/ Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (q) Multiple Bids/ Applications as defined in this GID and the RHP/ Prospectus;
- (r) Bid cum Application Forms/ Application Forms are not delivered by the Bidders/ Applicants within the time prescribed as per the Bid cum Application Forms/ Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (s) Inadequate funds in the bank account to block the Bid/ Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/ Application Amount in the bank account;
- (t) Where no confirmation is received from SCSB for blocking of funds;
- (u) Bids/ Applications by Bidders (other than Anchor Investors) not submitted through ASBA process or accompanied with cheque(s) or demand draft(s);
- (v) Bids/Applications submitted to the BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, or to the Registrar to the Issue;
- (w) Bids/ Applications not uploaded on the terminals of the Stock Exchanges;
- (x) Bids/ Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/ Application Form.

## **5.6 BASIS OF ALLOCATION**

- (a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/ Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/ Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail Portion is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be



permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Company, Bidders/ Applicants may refer to the RHP.

Illustration of the Book Building and Price Discovery Process.

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of 5 (five) Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Company at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Company is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.0 in the above example. The Company, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.0. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### Alternate Method of Book Building

(e)

In case of FPOs, companies may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“**Alternate Book Building Process**”).

The company may specify the Floor Price in the RHP or advertise the Floor Price at least 1 (one) Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the company may place a cap either in terms of number of specified securities or percentage of issued capital of the Company that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/ or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate member(s)/ SCSB and/ or Registered Broker or RTAs or DPs.

Applicants may submit an Application Form either in physical form to the Syndicate member(s) or Registered Brokers or RTAs or DPs or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least 1 (one) day prior to the Bid/ Issue Opening Date.

In a fixed price Issue, allocation in the net Issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of

the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/ Applicants may refer to the relevant chapter of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The allotment of Equity Shares to Bidders/ Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to RHP/ Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The company is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis upto a minimum of the Non-Institutional Category.

### **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs bidding in the QIB Portion (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for upto 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for upto 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the company subject to compliance with the following requirements:
- (i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - (ii) Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - (iii) Allocation to the Anchor Investors shall be on a discretionary basis, and subject to:
    - where allocation in the Anchor Investor Portion is upto ₹ 10 crores, maximum of 2 (two) Anchor Investors;
    - where the allocation under the Anchor Investor Portion is more than ₹ 10 crores but upto ₹ 250 crores, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 5 crores per Anchor Investor; and
    - where the allocation under the Anchor Investor portion is more than ₹ 250 crores: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 250 crores; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 250 crores million or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 5 crores per Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the company in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) In the event that the Issue Price is higher than the Anchor Investor Issue Price: Anchor Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors
- (d) In the event the Issue Price is lower than the Anchor Investor Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Issue being over-subscribed, the Company may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that

category multiplied by the inverse of the over-subscription ratio;

- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Company;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Company shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/ Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/ Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
  - 1. Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/ Applicants Depository Account will be completed within 6 (six) Working Days of the Bid/ Issue Closing Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Company 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 (six) Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 (six) Working Days of the Bid/ Issue Closing Date.

### 8.2 GROUNDS FOR REFUND

#### 8.2.1 NON RECEIPT OF LISTING PERMISSION

A Company makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/ Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/

Prospectus with which the Basis of Allotment may be finalised.

If the Company fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Company may be punishable with a fine which shall not be less than ₹ 5 Lakh but which may extend to ₹ 50 Lakh and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to 1 (one) year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 300,000 , or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Company may forthwith repay, without interest, all moneys received from the Bidders/ Applicants in pursuance of the RHP/ Prospectus.

If such money is not repaid within the prescribed time after the Company becomes liable to repay it, then the Company and every director of the Company who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/ Prospectus.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Company may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING – Not applicable**

In case an Company not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## **8.3 MODE OF REFUND**

- (a) **In case of ASBA Bids/ Applications:** Within 6 (six) Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/ Application and also for any excess amount blocked on Bidding/ Application.
- (b) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder/ Applicant on account of conversion of foreign currency.
- (c) In case of Anchor Investors: Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the

records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

### **Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants (Anchor Investors)**

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NACH** - National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- (b) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit** - Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS** - Bidders/Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Anchor Investors should note that on the basis of PAN of the applicant, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders/Applicants account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Bidders/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 despatch/ credit of refunds to Bidders/Applicants at their sole risk and neither the BRLM or the Registrar to the Issue or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (e) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc Bidders/Applicants may refer to RHP/Prospectus.

### **8.3.2 Mode of making refunds for ASBA Bidders/ Applicants**

In case of ASBA Bidders/ Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

### **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed

manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	The issue and allotment of Equity Shares of our Company pursuant to Issue to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee(s)	The successful Bidders to whom Equity Shares of our Company are allotted
Application Supported by Blocked Amount (ASBA) / ASBA	An application, whether physical or electronic, used by all Bidders to make a Bid authorizing an SCSB to block the Bid amount in the ASBA Account maintained with the SCSB. In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the bidders have to compulsorily apply through the ASBA Process.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Investor/ASBA Bidder	Any prospective investor(s)/Bidder(s) in this Issue who apply through the ASBA process
ASBA Form/ Bid Cum Application Form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this DRHP
Bankers to the Company	Banks who have extended credit facilities to our Company.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing member(s) and registered with SEBI as Banker to the Issue and with whom the Public Issue Account will be opened and in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 278 of this DRHP
Bid(s)	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bidding Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	[●], the date after which the Designated Intermediaries will not accept any Bids.
Bid/ Issue Opening Date	[●], the date on which the Designated Intermediaries shall start accepting Bids.
Bid / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made



<b>Term</b>	<b>Description</b>
Book Running Lead Manager or BRLM	Vivro Financial Services Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres along with the names and contact details of the Registered Brokers, are available on the website of the National Stock Exchange of India Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, which shall be any price within the Price Band to be finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bid cum Application Form at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch / Designated Branches	Such branch of the SCSBs which co-ordinate Bid cum Application Form under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidder such as their address, PAN, occupation and bank account details
Depository/ Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Account, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors (or duly constituted committee thereof) may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Stock Exchange / NSE EMERGE	SME Platform of the National Stock Exchange of India Limited, viz., NSE EMERGE
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated March 19, 2018 issued in accordance with Section 26 and 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which does not contain complete particulars of the number of Equity Shares and price at which such Equity Shares will be Allotted.
Eligible NRIs	NRIs (including OCIs) from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this DRHP constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof

Term	Description
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
FPI/Foreign Portfolio Investors	Foreign Portfolio Investor registered in accordance with the provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular dated October 23, 2013 bearing reference no. CIR/CFD/DIL/12/2013 read with SEBI Circular dated November 10, 2015 bearing reference no. CIR/CFD/POLICYCELL/11/2015 and included in “Issue Procedure” beginning on page 278 of this DRHP.
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company. For further information about use of Issue Proceeds, kindly refer the chapter titled “Objects of the Issue” beginning on page 75 of this DRHP
Issue/ Issue Size	The initial public offer of [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- each, aggregating up to ₹ 2,100 Lakh. The Issue includes a reservation of upto [●] Equity Shares for Market Maker Reservation Portion for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakh.
Issue Agreement	The agreement dated March 6, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted in terms of this DRHP. The Issue Price shall be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and this DRHP
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited
Market Making Agreement	Market Making Agreement dated March 6, 2018 between our Company, the BRLM and Market Maker.
Market Maker	Market Maker appointed by our Company, in this case being Airan Finstocks Private Limited, who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh for the Market Maker in this Issue
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue to the Public/ Net Offer to the Public	The Issue, excluding the Market Maker Reservation Portion, of [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company
NSE	The National Stock Exchange of India Limited
Non Institutional Bidders/Non Institutional Investors	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who apply for Equity Shares for an amount of more than ₹ 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/Overseas Corporate Body	A company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by Non-Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in

Term	Description
	existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. OCBs are not allowed to invest in the Issue.
Other Investors	All investors, including QIBs and NIIs, applying in this Issue who are not Retail Individual Investors.
Other Investors Category	The portion of Net Issue to the Public which is available for allocation and Allotment to Other Investors.
Payment through electronic transfer of funds	Payment through NACH, NEFT or Direct Credit, as applicable
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Pre-IPO Placement	The Issue and allotment of [●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ 500 Lakh on private placement basis, which our Company may consider in consultation with the BRLM, prior to filing of Red Herring Prospectus with the Registrar of Companies, Ahmedabad.
Price Band	The Price band of a minimum price of ₹ [●]/- per Equity Share (Floor Price) and the maximum price of ₹ [●]/- per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue shall be decided by our Company in consultation with the BRLM and shall be notified in all edition of the English national newspaper [●], all edition of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Pricing date	The date on which our Company in consultation with the BRLM shall finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with section 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price, the Issue Size and certain other information.
Public Issue Account	Account to be opened with the Banker to the Issue i.e. [●] under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the Bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on [●] amongst our Company, the BRLM, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the number of Equity Shares and price at which such Equity Shares will be Allotted, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three working days before the Bid/Issue Opening Date
Refund Account (s)	The account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●]
Refund through electronic transfer of funds	Refund through NACH, Direct Credit, RTGS or the ASBA process, as applicable
Registered Broker	Stock brokers registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com">www.nseindia.com</a>
Registrar / Registrar to the Issue / Registrar and Share	Link Intime India Private Limited

Term			Description
Transfer Agent or RTA Registrar Agreement			The agreement dated March 6, 2018 entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Resident Indian			A person resident in India, as defined under FEMA
Retail Investors/Retail Bidders	Individual Individual	Individual	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their Karta), who apply for an amount less than or equal to ₹ 2,00,000
Retail Category/ Bidders Category	Individual Retail Individual	Investors Individual	The portion of Net Issue to the Public which is available for allocation and Allotment to Retail Individual Investors / Retail Individual Bidders.
Revision Form			Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB/ Syndicate Bank	Self Certified		Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Applications Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other website as may be prescribed by SEBI from time to time
Specified Locations			Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Sub-Syndicate members			A SEBI registered member of National Stock Exchange of India Limited appointed by the BRLM and/or Syndicate Member to act as a Sub- Syndicate Member in the Issue
Syndicate Agreement			Agreement dated [●] entered into amongst the BRLM, the Syndicate Member(s) and our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate ASBA			A Bid submitted by an ASBA Bidder through the members of the Syndicate or their respective sub-Syndicate members at the Syndicate ASBA Centres instead of the Designated Branches.
Syndicate ASBA Centres			The bidding centres of the members of the Syndicate or their respective sub Syndicate.
Syndicate Member(s)			Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, the BRLM and other Syndicate Member(s)
Syndicate or Members of the Syndicate			The BRLM and the Syndicate Member(s)
TRS or Registration Slip	Transaction		The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter(s)			[●]
Underwriting Agreement			The Underwriting Agreement dated [●] entered into between the Underwriter(s) and our Company
Working Days			Working Day means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Issue Period, Working Day shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, Working Day shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy (“FDI Policy”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DIPP with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

Foreign investment is allowed up to 100% under government route in our Company subject to certain conditions. For further details kindly refer the chapter titled “*Key Industry Regulations and Policies*” beginning on page 129 of this DRHP.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. 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.

Foreign investment limit is allowed up to 100% under government route in our Company, subject to appropriate approvals of the shareholders in general meeting. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of 10% subject to the total sectoral cap of all FPIs/sub accounts put together being 24% of the paid-up capital of the Indian Company. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10%. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing of a special resolution to that effect by its Shareholders. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24% if a special resolution to that effect is passed by the Shareholders of the Indian company concerned. Currently, vide the Shareholders’ Resolution dated November 6, 2017 the investment by FPIs and FIIs in our Company have been increased from 24% to 100% of the paid-up equity share capital, and the investment by NRIs on repatriation basis in our Company have been increased from 10% to 24% of the paid-up equity share capital.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this RHP. Bidders are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Article No.	Particulars	
1.	<p>The Regulations contained in Table F, in the First Schedule to the Companies Act, 2013 (Table F), as are applicable to a Public Company Limited by Shares, shall apply to this Company, so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provisions in these Articles. In case of any conflict between the provisions of these Articles and Table F, the provisions of these Articles shall prevail.</p> <p>The regulations for the management of the Company and for the observance by the members thereto and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alterations of, or addition to, its regulations by Resolution, as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.</p>	Company to be governed by these Articles
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	Interpretation Clause
	(a) "The Act" means the Companies Act, 2013 and includes rules made there under and any statutory modification, clarification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company Law, so far as may be applicable.	Act
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time or any statutory modifications thereof.	Articles
	(c) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	Annual General Meeting
	(d) "Auditors" means and includes those persons appointed as such for the time being of the Company.	Auditors
	(e) "Board" means the Directors of the Company collectively, and shall include a committee thereof.	Board
	(f) "Beneficial Owner" shall mean beneficial owner as defined in the Depositories Act, 1996.	Beneficial Owner
	(g) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital
	(h) "Company" shall mean 20 Microns Nano Minerals Limited established as aforesaid.	The Company
	(i) "Debenture" includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;	Debenture
	(j) "Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.	Document

Article No.	Particulars	
	(k) "Depository" means a Depository as defined under the Depositories Act, 1996.	Depository
	(l) "Director" means a Director appointed to the Board of the Company.	Director
	(m) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	Executor or Administrator
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	Extra-Ordinary General Meeting
	(o) "General Meeting" means a meeting of members held in accordance with the Act.	General Meeting
	(p) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form and shall include email, and any other form of electronic transmission.	In Writing and Written
	(q) "Independent Director" shall have the meaning ascribed to it in the Act.	"Independent Director"
	(r) The marginal notes or headings hereto shall not affect the construction thereof.	Marginal notes or headings
	(s) "Key Managerial Personnel" means the Chief Executive Officer or the Managing Director or Manager; the Company Secretary; Whole-time Director; Chief Financial Officer; and such other Officer as may be notified from time to time in the Rules.	Key Managerial Personnel
	(t) "Legal Representative" means a person who in law represents the estate of a deceased Member.	Legal Representative
	(u) Words importing the masculine gender also include the feminine gender.	Gender
	(v) "Members" or "Shareholders" means the duly registered holders, for the time being of the shares of the Company and in case of shares held in dematerialized form such persons whose name is entered as a beneficial owner in the records of a depository.	Members or Shareholder
	(w) "Month" means a calendar month.	Month
	(x) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	National Holiday
	(y) "Non-retiring Directors" means a Director not subject to retirement by rotation.	Non-retiring Directors
	(z) "Office" means the Registered Office for the time being of the Company and with respect to the keeping and inspection of registers and returns and other matters mentioned in the Act and includes any other place as prescribed by the Act.	Office
	(aa) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	Ordinary and Special Resolution
	(bb) "Paid-up" in relation to shares includes credited as paid-up.	Paid-up
	(cc) "Person" shall be deemed to include corporations and firms as well as individuals.	Person
	(dd) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	Proxy
	(ee) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act	Register of Members



Article No.	Particulars	
	(ff) "Seal" means the common seal for the time being of the Company or any other method of Authentication of documents, as specified under the Act or amendment thereto.	Seal
	(gg) "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by the Board of Directors to perform the functions of a company secretary under this Act and is a Key Managerial Personnel.	Secretary or Company Secretary
	(hh) "Securities" shall mean securities as defined under the Securities Contract (Regulations) Act, 1956 or any modifications or re-enactment thereof for the time being in force and includes hybrids.	Securities
	(ii) "Share" means a share in the share capital of a company and includes stock.	Share
	(jj) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number
	(kk) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
	(ll) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time or any statutory modifications thereof.	These presents
	(mm) "Variation" shall include abrogation; and "vary" shall include abrogate.	Variation
	(nn) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	Year and Financial Year
	Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.	Expressions in the Act to bear the same meaning in Articles
	<b>CAPITAL</b>	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time, with power to the Board, subject to applicable statutory provisions, to re-classify, sub-divide, consolidate or increase and with power from time to time, to issue any share of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and upon the sub-division of shares to apportion the right to participate in any manner as between the shares resulting from such sub-division.	Authorized Share Capital
4.	The Company may in General Meeting or by Postal Ballot, from time to time, by Ordinary Resolution increase its capital by creation of new shares, which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting or by Postal Ballot resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings or by Postal Ballot of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	Increase of capital by the Company and how carried into effect
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital same as existing capital

Article No.	Particulars	
6.	The Board shall have the power to issue a part of authorized capital by way of differential -voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	Issue of Differential Voting Shares
7.	Subject to the provisions of the Act and these Articles, the Company shall have the power to issue preference shares, either at premium or at par which are or at the option of the Company are to be liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.	Redeemable Preference Shares
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of preference shares
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) of the Act, the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.	Provisions to apply on issue of Redeemable Preference Shares
10.	The Company may (subject to the provisions of sections 52, 66 and other applicable provisions, if any, of the Act or any other section as notified) from time to time by Special Resolution reduce  (a) the share capital;  (b) any capital redemption reserve account; or  (c) any security premium account  In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.	Reduction of capital
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	Debentures

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12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in the Act and Rules framed thereunder.	Issue of Sweat Equity Shares
13.	The Company may provide share based benefits including but not limited to Stock Option, Stock Appreciation Rights or any other co – investment share plan and other forms of share based compensations to Employees including its Directors other than independent directors and such other persons as the rules may allow, under any scheme, subject to the provisions of the Act, the Rules made thereunder and any other law for the time being in force, by whatever name called.	Share Based Employee Benefits
14.	Notwithstanding anything contained in these articles but subject to and in full compliance of the requirements of sections 68 to 70 (both inclusive) and any other applicable provision of the Act and Rules made thereunder, provisions of any re-enactment thereof and any rules and regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company may with the authority of the Board or the members in General Meeting, as may be required / and contemplated by Section 68 of the Act, at any time and from time to time, authorise buyback of any part of the share capital or other specified securities of the Company fully paid-up on that date.	Buy Back of shares
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	Consolidation, Sub-Division And Cancellation
16.	Subject to compliance with applicable provision of the Act and Rules framed thereunder and other applicable laws the company shall have power to issue depository receipts in any foreign country.	Issue of Depository Receipts
17.	Subject to compliance with applicable provision of the Act and Rules framed thereunder the company shall have power to issue any kind of securities or kinds of share capital as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities and Kinds of Share Capital
18	The Company may issue warrants on preferential basis pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any statutory modifications or re-enactment thereof.	Issue of Warrants
<b>MODIFICATION OF CLASS RIGHTS</b>		
19.	<p>If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	Modification of rights

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20.	The rights conferred upon the holders of the Shares including Preference Share, if any, of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	New Issue of Shares not to affect rights attached to existing shares of that class.
21.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	Shares at the disposal of the Directors.
22.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.	Directors may issue/allot shares otherwise than for cash
23.	The Company may issue securities in any manner whatsoever including by way of a preferential offer / private placement, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and / or 62 of the Act and rules framed thereunder as amended from time to time.	Power to issue securities on preferential offer or private placement basis.
24.	Subject to the provisions of the Act, any preference shares may be issued on the terms that they are to be redeemed or converted into equity shares on such terms and in such manner as the company before the issue of the shares may, determine.	Power to issue Preference Shares
25.	<p>The Board or the Company as the case may be, may, by way of rights issue or preferential offer or private placement or any other manner, subject to and in accordance with Act and the Rules, issue further shares to;</p> <p>(a) persons who, at the date of the 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 favor of other person or;</p> <p>(b) employees under the employees' stock option or;</p> <p>(c) any person whether or not those persons include the persons referred to in clause (a) or clause (b) above;</p>	Further issue of share capital
26.	The provisions of these Articles relating to share capital and variation of rights thereon shall mutatis mutandis apply to Debentures and other securities of the Company, as applicable.	Provisions apply to Debentures
27.	<p>The Board shall comply with such Rules or Regulations or Requirements of any stock exchange or the Rules made under Securities Contract (Regulations) Act 1956 or any other Act or Rules applicable for the purpose of these articles.</p> <p>Provided that any restriction, condition or prohibition required to be included in the Articles of Association pursuant to any such Rules, Regulations or Requirements of any stock exchange or the Rules made under Securities Contract (Regulations) Act, 1956 or any other Act and which are not incorporated in these articles shall be deemed to have effect as if such restriction, condition or prohibition are expressly provided by or under these articles</p>	Board to comply with applicable Regulations
28.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.

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29.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
30.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.	Deposit and call etc. to be a debt payable immediately
31.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	Liability of Members.
32.	Shares may be registered in the name of individual, any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.
33.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Section 39 of the Act	Return on allotments to be made or restrictions on allotment
<b>CERTIFICATES</b>		
34.	<p>(a) 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 from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –</p> <ol style="list-style-type: none"> <li>1. one certificate for all his shares without payment of any charges; or</li> <li>2. several certificates, each for one or more of his shares, upon payment of Rs. 50 for every certificate or such charges as may be fixed by the Board for each certificate after the first. The charges can be waived off by the Company.</li> </ol> <p>(b) Every certificate of shares shall be either under the seal of the company or will be authenticated by (1) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (2) the Secretary or some other person appointed by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.</p> <p>(c) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 46 of the Act.</p>	Issue of Share Certificates.
35.	Every certificate shall have distinctive number and shall be issued under the Seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon and shall be in such form as may be prescribed and approved by the Board.	Form of Certificate
36.	<p>(a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof.</p> <p>(b) If any certificate lost or destroyed then upon proof thereof to the</p>	Issue of renewed or duplicate share certificate

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	<p>satisfaction of the company and on execution of such indemnity as the company deems adequate and on payment of out-of-pocket expenses incurred by the company in investigating the evidence produced, being given, then only with prior consent of the Board, a duplicate Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate.</p> <p>(c) Every Certificate shall be issued in such manner as prescribed under the Act or Rules framed thereunder or under other applicable laws applicable from time to time.</p> <p>(d) Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees Fifty for each certificate) as the Directors shall prescribe.</p> <p>(e) The particulars of every renewed or duplicate share certificate issued shall be entered forthwith in a Register of Renewed and Duplicate Share Certificates maintained in prescribed format indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross-references in the "Remarks" column.</p> <p>(f) Register shall be kept at the registered office of the company or at such other place where the Register of Members is kept or at other offices of the Company or at the office of Share Transfer Agent of the Company and it shall be preserved permanently and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for the purpose.</p> <p>(g) All entries made in the Register of Renewed and Duplicate Share Certificates shall be authenticated by the company secretary or such other person as may be authorised by the Board for the purposes of sealing and signing the share certificate</p> <p>(h) Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>(i) The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	
37.	If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to these articles and the terms of issue.	The first named joint holder deemed Sole holder.
38.	The Company shall not be bound to register more than two persons as the joint holders of any share.	Maximum number of joint holders.
39.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound 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 is by these Articles otherwise expressly provided or by law otherwise provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Company not bound to recognize any interest in share other than that of registered holders.
40.	Company shall not give whether directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company, save as provided by Section 67 of the Act.	Funds of Company may not be applied in purchase of shares of the Company

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41.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	Installment on shares to be duly paid.
42	If and whenever as a result of issue of new or further shares or any consolidation or sub-division of shares or otherwise, any shares held by members become fractional shares, all such fractional entitlement shall be consolidated into whole shares and be allotted to such person, persons or entities as may be nominated by the Board as trustee for sale thereof in open market through SEBI registered share broker at such price as may be approved by such Trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlement.	Fractional Shares
	<b>UNDERWRITING AND BROKERAGE</b>	
43.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any securities in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the Rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	Commission
44.	The Company may pay on any issue of securities such brokerage as may be reasonable and lawful.	Brokerage
	<b>CALLS</b>	
45.	(a) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (b) A call may be made payable by installments. (c) The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.	Directors may make calls
46.	A call may be revoked or postponed at the discretion of the Board	Call may be revoked or postponed
47.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls
48.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	Calls to date from resolution.
49.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on uniform basis.
50.	The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of Joint-holders

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51.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend time.
52.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding ten per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
53.	(a) If by the terms of issue of any share or otherwise any amount is made payable at any fixed time (whether on account of the nominal value of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. (b) 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 mutatis mutandis as if such sum had become payable by virtue of a call duly made and notified.	Sums deemed to be calls.
54.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, was on the Register of Members as the holder, on or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that such money is due pursuant to the terms on which the share was issued; that the resolution making the call was duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	Proof on trial of suit for money due on shares.
55.	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 thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	Judgment, decree, partial payment suo motto proceed for forfeiture.
56.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall	Payments in Anticipation of calls may carry interest



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	mutatis mutandis apply to calls on debentures issued by the Company.	
	<b>LIEN</b>	
57.	<p>(a) The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 42 will have full effect. And such lien shall extend to all dividends, onuses or interest from time to time declared in respect of such shares/ debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures.</p> <p>(b) The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>	Company to have Lien on shares / debentures.
58.	<p>(a) For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such Member, his executors or administrators or his committee or other legal representatives as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.</p> <p>(b) To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(c) Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.</p>	As to enforcing lien by sale.
59.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.	Application of proceeds of sale.
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
60	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment.	If call or installment not paid, notice may be given.
61.	<p>(a) The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>(b) The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	Terms of notice.

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62.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	On default of payment, shares to be forfeited.
63.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. Provided that option or right to call of forfeited shares shall not be given to any person.	Notice of forfeiture to a Member
64.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	Forfeited shares to be property of the Company and may be sold etc.
65.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding two per cent per annum more than the bank lending rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	Members still liable to pay money owing at time of forfeiture and interest.
66.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	Effect of forfeiture.
67.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these Articles 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 shares.	Evidence of Forfeiture.
68.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	Title of purchaser and allottee of Forfeited shares.
69.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.	Directors may issue new certificates
70.	In the meantime, and until any share so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board, be remitted or annulled as a matter of grace and favour but not as of right, upon such terms and conditions as they think fit.	Forfeiture may be remitted or annulled
71.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of 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,	Validity of sale under Articles 58 and 64

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	and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	
72.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
73.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	Execution of the instrument of transfer of shares.
74.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 (statutory modification thereof) including other applicable provisions of the Act and Rules made thereunder shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.	Transfer Form.
75.	(a) The Company shall not register a transfer in the Company (other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository), unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares within sixty days from date of execution: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law. (b) The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.	Instrument of Transfer to be completed and presented to the Company.
76.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may, at its own absolute and uncontrolled discretion and after assigning the reason for same, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member), send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.	Directors may refuse to register transfer.
77.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within 30 days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	Notice of refusal to be given to transferor and transferee.

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78.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and Rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	Closure of Register of Members or debenture holder or other security holders.
79.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	Custody of transfer Deeds.
80.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	Application for transfer of partly paid shares.
81.	Subject to the power of the Board stated in these Articles, transfer of shares in whatever lot should not be refused. However, the Company may refuse to split a share certificate into several scrips of very small denominations or to consider a proposal of transfer of shares comprised in a share certificate to several parties, involving such splitting if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need or not of a marketable lot.	Board may refuse for split or consolidation of certificates
82.	(a) In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share (b) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Death of one or more joint-holders of shares.
83.	Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.  Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.	Title to shares of deceased member.
84.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Section 72 of the Companies Act.	Titles of Shares of deceased Member
85.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which	Registration of persons entitled to share otherwise than by transfer.

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	they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions as prescribed under Act and Rules, and, until he does so, he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	(transmission clause).
86.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	Refusal to register nominee.
87.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such 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.	Board may require evidence of transmission.
88.	The Company shall incur no liability or responsibility whatsoever 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 or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had 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 require to regard or attend or give effect to any notice which may be given to them of 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 Directors shall so think fit.	Company not liable for disregard of a notice prohibiting registration of transfer.
89.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in as prescribed under the relevant Rules hereof as circumstances permit.	Form of transfer Outside India.
90.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.
	<b>NOMINATION</b>	
91.	<p>(a) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>(b) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.</p> <p>(c) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>(d) If the holder(s) of the securities survive(s) nominee, then the nomination</p>	Nomination

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	made by the holder(s) shall be of no effect and shall automatically stand revoked.	
92.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(a) to be registered himself as holder of the security, as the case may be; or</p> <p>(b) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(c) if the nominee elects to be registered as holder of the security, himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder;</p> <p>(d) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	Transmission of Securities by nominee
	<b>DEMATERIALISATION OF SHARES</b>	
93.	<p>Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form and will offer the Securities for subscription in dematerialized form.</p> <p>Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.</p>	Dematerialisation of Securities
	<b>CONVERSION OF SHARES INTO STOCK</b>	
94.	<p>The Company may, by ordinary resolution in General Meeting,</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p>	Conversion of shares into stock or reconversion.
95.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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.	Transfer of stock.
96.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock holders.

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97.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	Regulations.
	<b>COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS</b>	
98.	A copy of the Memorandum and Articles of Association of the Company and of any other document referred to in Section 17 of the Act shall be sent by the Company to a Member at his request on payment of Rs. 100 or such reasonable sum for each copy as the Directors may, from time to time, decide. The fees can be waived off by the Company.	Copies of Memorandum and Articles of Association to be sent to Members.
	<b>BORROWING POWERS</b>	
99.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose. Nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed.	Power to borrow.
100.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	Terms of issue of Debentures.
101.	Subject to the provisions of Article 103, the payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects, as the Board may think fit by a resolution passed at a meeting of the Directors, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Securing payment or repayment of Moneys borrowed.
102.	Any bonds, debentures, debenture-stock, Global Depository Receipts or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider being for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors.

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103.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital.
104.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.
105.	The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company.	Register of Mortgages etc. to be kept.
106.	(a) The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act.  (b) The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture holders resident in that State or country.	Register and Index of Debenture holders
107.	The provisions contained in Act relating to inspection and taking copies shall be mutatis mutandis be applicable to the registers specified in this Article.	Inspection of Register
<b>MEETINGS OF MEMBERS</b>		
108.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
109.	The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. The Annual General Meeting shall be held within a period of six months, from the date of closing of the financial year; provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred on the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on any day that is not a National Holiday, and shall be held at the Registered Office of the Company or at some other place within the city, town or village where the Registered Office of the Company is situated and the Notices calling the Meeting shall specify it as the Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy or by other authority including by resolution of the Board of the Company or by power of attorney and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Financial Statements, Auditors' Report (if not already incorporated in the Financial Statements), the Proxy Register with proxies and the Register of Directors' shareholding which latter Register shall remain open and accessible during the continuance of the Meeting.	Annual General Meeting- Annual Summary
110.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Member or Members holding in the aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of deposit of the requisition and in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting.	Extra-Ordinary General Meeting by Board and by requisition



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	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	When a Director or any two Members may call an Extra Ordinary General Meeting
111.	Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Registered Office; provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.	Requisition of Members to state object of Meeting
112.	Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Registered Office, to cause a meeting to be called for a day not later than forty-five days from the date of deposit of the requisition, meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.	On receipt of requisition, Directors to call Meetings and in default requisitionists may do.
113.	Twenty-one days notice at the least (either in writing or electronic mode) of every General Meeting, Annual or Extraordinary, specifying the place, date, day , hour, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons, as given under Act, entitled to receive notice from the Company. A General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. In the case of an Annual General Meeting, if any business other than (i) the consideration of financial statements and the reports of the Board of Directors and auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of, the Auditors is to be transacted, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature or concern (financial or otherwise) and extent of the interest, if any, therein of every Director, Manager, Key Managerial Personnel, and their relatives (if any). Where any item of business consists of the approval of any document the time and place where the document can be inspected shall be specified in the statement aforesaid.	Notice of meeting
114.	The accidental omission to give any such notice as aforesaid to any member, or other person to whom it should be given or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.	Omission to give notice not to invalidate a resolution passed.
115.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.
116.	No business shall be transacted at any General Meeting, unless the requisite quorum is present. The quorum for a general meeting shall be the presence in person of such number of members as specified in Section 103 of the Act. A body corporate being a Member shall be deemed to be personally present if represented in accordance with Section 113 of the Act.	Quorum

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117.	If, at the expiration of half an hour from the time appointed for the Meeting a quorum of Members is not be present, the Meeting, if convened by or upon the requisition of Members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine; and if at such adjourned Meeting a quorum of Members is not present at the expiration of half an hour from the time appointed for the Meeting, those Members who are present shall be a quorum, and may, transact the business for which the Meeting was called.	If quorum not present, Meeting to be dissolved and adjourned.
118.	The Chairman of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman, or if at any Meeting the Chairman is not present within fifteen minutes of the time appointed for holding such Meeting or is unwilling to act as a Chairman, then the Directors present shall elect one of them as Chairman of the meeting, and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman.	Chairman of General Meeting
119.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	Business confined to election of Chairman whilst Chair is vacant.
120.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) 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. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Chairman with consent may adjourn meeting.
121.	In the case of an equality of votes the Chairman shall on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	Chairman's casting vote.
122	Unless a Poll is demanded or voting is carried out electronically, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the said fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.	Chairman's declaration conclusive
123	The Board may in its absolute discretion, on giving not less than 7 (seven) clear day's notice in accordance with these Articles, postpone or cancel any meeting of members except a meeting called pursuant to members requisition.	Postponement or Cancellation of Meeting
124.	If a poll is demanded as aforesaid the same shall, , be taken in such manner as prescribed under the Act.	Poll to be taken, if demanded.
125.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment.
126.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business.

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127.	The Board, and the persons authorized by it, shall have the right to take and/or make suitable arrangements for ensuring the safety of any meeting – whether a general meeting or a meeting of any class of Security, or of the persons attending the same, and for the orderly conduct of such meeting, and notwithstanding anything contained in this Articles, any action, taken pursuant to this Article in good faith shall be final and the right to attend and participate in such meeting shall be subject to the decision taken pursuant to this Article.	Security arrangement at venue of meetings.
	<b>VOTES OF MEMBERS</b>	
128.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	Members in arrears not to vote.
129.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll (including voting by electronic means) the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled.
130.	A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his Committee or other legal guardian: and any such Committee or guardian may, on a poll, vote by proxy; if any Member be minor, the vote in respect of his share shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the Meeting.	How Members non-compos mentis and minor may vote.
131.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a member entitled to more than one vote.
132	Where a poll is to be taken, the Chairman of the meeting shall appoint such number of Scrutineer(s) who need not be members of the Company, to scrutinize the poll process, votes casted by poll and to report thereon to him subject to provisions of Act for the time being in force.  The Chairman shall have power, at any time before the result of the Poll is declared to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.	Scrutinisers at Poll
133.	Notwithstanding anything contained in the provisions of the Act and the Rules made there under, the Company may, and in the case of resolutions relating to such business other than the Ordinary business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	Postal Ballot
134.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	E-Voting

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135.	<p>a) If there be joint registered holders of any share any one of such persons may vote at any Meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto.</p> <p>b) If more than one of such joint-holders be present at any Meeting either personally or by proxy, 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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>c) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	Votes of joint members.
136.	<p>Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorized by way of Board Resolution as mentioned in Articles.</p> <p>At any General Meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under Section 109, or if the voting is carried out electronically be decided on a show of hands. Such voting in a general meeting or by postal ballot shall also include electronic voting in a General Meeting or Postal Ballot as permitted by applicable laws from time to time.</p>	Votes may be given by proxy or by representative
137.	<p>A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures or any other Securities) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.</p>	Representation of a body corporate.
138.	<p>(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.</p> <p>(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceeding the date on which the vote was taken.</p>	<p>Members paying money in advance.</p> <p>Members not prohibited if share not held for any specified period.</p>
139.	<p>Any person entitled under Article 85 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.</p>	Votes in respect of shares of deceased or insolvent members.
140.	<p>No Member shall be entitled to vote on a show of hands through Proxy unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorized under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.</p>	No votes by proxy on show of hands.

Article No.	Particulars	
141.	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.	Appointment of a Proxy.
142.	The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of attorney, shall be deposited at the office not less than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of it's execution.	Deposit of instrument of appointment.
143.	An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105.	Form of proxy.
144.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy not withstanding death of a member.
145.	An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and every adjournment thereof or every meeting of the Company or every meeting to be held before a date not being later than twelve months from the date of the instrument specified in the instrument and every adjournment of every such meeting.	Proxy either for specified meeting or for a period.
146.	No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.	Time for objections to votes.
147.	The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	Chairperson of the Meeting to be the judge of validity of any vote.
148.	<p>(a) Every company shall cause minutes of the proceedings of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered.</p> <p>(b) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting or each report in such books shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairman within that period, by a director duly authorised by the Board for the purpose. In case of every resolution passed by postal ballot, by the chairman of the Board within the aforesaid period of thirty days or in the event of there being no chairman of the Board or the death or inability of that chairman within that period, by a director duly authorized by the Board for the purpose.</p> <p>(d) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(e) All appointments made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(f) Nothing herein contained shall require or be deemed to require the</p>	Minutes of General Meeting and inspection thereof by Members.

Article No.	Particulars	
	<p>inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting.</p> <p>1) is or could reasonably be regarded as, defamatory of any person, or</p> <p>2) is irrelevant or immaterial to the proceedings, or</p> <p>3) is detrimental to the interests of the Company</p> <p>The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.</p> <p>(g) Any such minutes shall be evidence of the proceedings recorded therein.</p> <p>(h) The book containing the minutes of proceedings of General Meetings or resolutions passed by Postal Ballot shall be kept at the office of the Company and shall be open to inspection by any member during business hours, for such periods not being less in the aggregate than two hours on all working days except Saturdays.</p>	
	<b>DIRECTORS</b>	
149.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.	Number of Directors
150	<p>The following are the Directors of the Company as on 25<sup>th</sup> May, 2017:</p> <p>1. Mr. Chandresh S. Parikh                      2. Mr. Rajesh C. Parikh</p> <p>3. Mr. Atil C. Parikh                              4. Mr. Sudhir R. Parikh</p> <p>5. Mrs. Darsha R. Kikani                      6. Mr. Ramkishan A. Devidayal</p>	Directors
151	<p>The Board shall arrange to maintain at the office of the Company, a Register in the Form prescribed under the Act, containing the particulars of the Directors and Key Managerial Personnel. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the Act. The Directors shall cause to be kept at the Registered Office</p> <p>(a) a Register in accordance with Section 170 and</p> <p>(b) a Register of Contracts or arrangements of which they are interested, containing the particulars required by Section 189 of the Act.</p> <p>The Registers can be maintained in electronic form subject to the provisions of the Act.</p>	Register of Directors and Disclosure by Directors
152.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
153.	<p>(a) Whenever the Company enters into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for under-writing the Directors shall have, subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, the power to agree that such appointer shall have the right to appoint by a notice in writing addressed to the Company, one or more persons as a Director or Directors of the Company for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. Any Director so appointed is herein referred to as a Nominee Director.</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation.</p>	Nominee Directors

Article No.	Particulars	
	<p>The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	
154.	If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that a trustee appointed under the Trust Deed shall have power to appoint a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the trustee in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation. A debenture Director shall not be bound to hold any qualification shares.	Debenture Directors
155.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	Appointment of Alternate Director.
156.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 149. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting but shall be eligible for appointment by the Company as a Director at that Meeting subject to the provisions of the Act.	Additional Director
157.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, 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, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.	Directors' power to fill casual vacancies
158.	The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.	Appointment of directors and proportion to retire by rotation
159	The Company, subject to the provisions of the Act, shall have the power to determine the Directors whose period of office shall be liable to determination by retirement of Directors by rotation or not.	Directors not liable to retirement by rotation

Article No.	Particulars	
160.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board provided that Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.	Sitting Fees.
161.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	Travelling expenses Incurred by Director on Company's business.
162.	<p>Any one or more of the Directors shall be paid such additional remuneration as may be fixed by the Directors for services rendered by him or them and any one or more of the Directors shall be paid further remuneration if any as the Company in General Meeting or the Board of Directors shall from time to time determine. Such remuneration and/or additional remuneration may be paid by way of salary or commission on net profits or turnover or by participation in profits or by way of perquisites or in any other manner or by any or all of those modes.</p> <p>If any director, being willing shall be called upon to perform extra services, or to make any special exertion for any of the purposes of the Company, the Company in General Meeting or the Board of Directors shall, subject as aforesaid, remunerate such Director or where there is more than one such Director all or such of them together either by a fixed sum or by a percentage of profits or in any other manner as may be determined by the Directors and such remuneration may be either in addition to or in substitution for the remuneration above provided.</p>	Additional Remuneration for Services
163	<p>Subject to Section 167 of the Act, the office of a Director shall be vacated if :</p> <p>(a) he incurs any of the disqualifications specified in section 164 of the Act;</p> <p>(b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;</p> <p>(c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;</p> <p>(d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;</p> <p>(e) he becomes disqualified by an order of a court or the Tribunal;</p> <p>(f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months;</p> <p>Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;</p> <p>(g) he is removed in pursuance of the provisions of this Act;</p> <p>(h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.</p>	When office of Directors to be vacated.
164.	The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be re-appointed a Director by the Board of Directors.	Removal of Director
165.	Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.	Resignation of Directors



Article No.	Particulars	
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
166.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) The Chairman or any one Director with the previous consent of the Chairman may, or the Company Secretary on the direction of the Chairman shall, at any time, summon a meeting of the Board.	Meetings of Directors
167.	The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means, and in conducting the Board meetings through such video conferencing or other permitted means the procedures and the precautions as laid down in the relevant Rules shall be adhered to. With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.	Meeting through Video Conferencing
168.	Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.	Notice of Meetings
169.	The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other permitted means shall also counted for the purposes of this Article. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time. Explanation: The expressions “interested Director” shall have the meanings given in Section 184(2) of the said Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.	Quorum for Meetings
170.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairperson is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Whole-time Director or Chief Executive Officer at the same time.	Chairperson
171	(1) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company. (2) The Chairman Emeritus shall hold office until he resigns his office or a special resolution to that effect is passed by the members in a general meeting. (3) The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof. (4) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.	Chairman Emeritus

Article No.	Particulars	
	(5) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company. (6) If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus.”	
172.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	Questions at Board meeting how decided.
173.	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.	Continuing directors may act notwithstanding any vacancy in the Board
174.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	Directors may appoint committee.
175.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	Committee Meetings how to be governed.
176.	a) A committee may elect a Chairperson of its meetings.  b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Chairperson of Committee Meetings
177.	a) A committee may meet and adjourn as it thinks fit.  b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Meetings of the Committee
178.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	Acts of Board or Committee shall be valid notwithstanding defect in appointment.
179.	A resolution not being a resolution required by the said Act or otherwise to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee as the case may be, at their addresses registered with the Company, by hand delivery or by post or courier or through electronic means as permissible under the relevant Rules and has been approved by a majority of the Directors as are entitled to vote on the resolution.	Resolution by Circulation

Article No.	Particulars	
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
180.	Not less than two-thirds of the total number of the Directors of the Company, other than Independent Directors appointed on the Board of the Company, be persons, whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the said Act, be appointed by the Company in General Meeting. The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit. Subject to the provisions of Section 152 of the Act, at every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.	Retirement and Rotation Of Directors
181	A retiring Director shall be eligible for re-election.	Eligibility for re-election
	<b>POWERS OF THE BOARD</b>	
182.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by these Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	Powers of the Board
183.	Without prejudice to the general powers conferred by these Articles or the governing laws of the Country and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say –	Certain powers of the Board
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorized to carry on, in any part of India.	To acquire any property, rights etc.
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	To take on Lease.
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	To erect & construct
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property.

Article No.	Particulars	
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts.
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares.
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings.
	(11) To act on behalf of the Company in all matters relating to bankruptcy and/or insolvency.	Bankruptcy & Insolvency
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	To issue receipts & give discharge
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	To invest and deal with money of the Company
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	To give Security by way of indemnity
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.

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	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	Transfer to Reserve Funds.
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laborers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	To appoint and remove officers and other employees.
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	To appoint Attorneys

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	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	To enter into contracts.
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	(26) To redeem preference shares.	To redeem preference shares.
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	(28) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	To provide for welfare of Directors
	(29) To purchase or otherwise acquire or obtain foreign license, other license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.	To purchase or acquire foreign licence
	(30) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.	To sell any Article, material etc
	(31) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.	To extend the business and undertaking

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	(32) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.	To make payment of rents and performance of covenants
	(33) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.	To improve, manage, develop property
	(34) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.	To lease, sell, re-purchase property
	(35) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any Director, Officers, Committee of the Board, Person(s), Firm, Company or Fluctuating Body of Persons as aforesaid.	To delegate powers
	(36) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company as may be necessary or expedient to comply with.	To comply with the requirements of local law
	Save as provided by the said Act or by these presents and subject to the restrictions imposed by Section 179 of the said Act, the Directors may delegate all or any powers by the said Act or by the Memorandum of Association or by these presents reposed in them.	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
184.	a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their body to be a Managing Director, Joint Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, Manager or Chief Executive Officer of the Company either for a fixed term or for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. b) A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.	Powers to appoint Managing/ Whole-time Directors.
185.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act or as per the clarifications notified by the Government and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	Remuneration of Managing or Whole-time Director.

Article No.	Particulars	
186.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer 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 Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director or Whole-time Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in them to any officers of the Company or any persons/firm/company/ other entity for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director or Whole-time Director is expressly allowed generally to work for and contract on behalf of the Company and especially to do the work of Managing Director or Whole-time Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between them and the Directors of the Company.</p>	Powers and duties of Managing Director or Whole-time Director.
187.	<p>The Managing Director or Managing Directors shall not exercise the powers to :</p> <p>(a) make calls on shareholders in respect of money unpaid on shares in the Company;</p> <p>(b) issue debentures;</p> <p>and except to the extent mentioned in a resolution passed at the Board meeting under Section 179 of the Act, he or they shall also not exercise the powers to –</p> <p>(c) borrow moneys, otherwise than on debentures;</p> <p>(d) invest the funds of the Company; and</p> <p>(e) make loans.</p>	Restriction on Management
	<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>	
188.	<p>(a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer or any other Key Managerial Personnel 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>	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer



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	<p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>(b) 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>	
	<b>THE SEAL</b>	
189.	<p>(a) The Board at their option can provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute or not substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board to any Director or Company Secretary or any other person/s.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p> <p>(c ) As authorized by the Act or amendment thereto, if the company does not have a common seal, the authorisation under this clause shall be made by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary or persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other person authorized by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp.</p>	The seal, its custody and use.
190.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint/authorize for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	Usage of the Seal
	<b>DIVIDEND AND RESERVES</b>	
191.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p>	Division of profits.
192.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	The company in General Meeting may declare Dividends.
193.	(a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for 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	Transfer to reserves

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	of the company) as the Board may, from time to time, thinks fit. (b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
194.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	Interim Dividend.
195.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted
196.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	Capital paid up in advance not to earn dividend.
197.	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 dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid-up.
198.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles.
199.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.
200.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
201.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint holders.
202.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct or electronically by ECS/NEFT/RTGS.  b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.  The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsements on any cheque or warrant, or the fraudulent or improper recovery thereof by any other means.	Dividends how remitted.
203.	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.	Notice of dividend.
204.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.

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	<b>CAPITALIZATION</b>	
205.	<p>(1) 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 (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) 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; or</p> <p>(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, may be applied by the Company for the purposes permissible pursuant to the Act.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	Capitalization.
206.	<p>(1) 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 to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power —</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</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 the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	Fractional Certificates.

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207.	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.	Inspection of Accounts
	<b>FOREIGN REGISTER</b>	
208	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	Foreign Register.
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
209.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed or through electronic transmission.	Signing of documents & notices to be served or given.
210.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorized Officer of the Company (digitally or electronically) and need not be under the Common Seal of the Company and the signature thereto may be written, facsimile, printed, lithographed, Photostat.	Authentication of documents and proceedings.
	<b>WINDING UP</b>	
211.	Winding Up of the Company shall be governed by the provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations made thereunder or as may be altered from time to time or any statutory modifications thereof.	Winding Up
	<b>INDEMNITY</b>	
212.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p> <p>The Company may take and maintain any insurance as the Board may think fit on behalf of its directors (present and former), other employees and the Key Managerial Personnel, for insurers to directly meet all claims, losses, expenses, fines, penalties or such other levies, or for indemnifying any or all of them against any such liability for any acts in relation to the Company for which they may be liable.</p>	Directors' and others right to indemnity.
213.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the	Not responsible for acts of others

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	<p>insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p> <p>An Independent Director, and a Non-executive Director, not being a Promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.</p>	
	<b>SECRECY</b>	
214.	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>	Secrecy
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	Access to property information etc.

## **SECTION IX - OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of these contracts and documents will be available for inspection at the Registered Office of our Company between 10 a.m. and 5 p.m. on all Working Days from the date of filing of the Red Herring Prospectus with the RoC until the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### **Material Contracts**

1. Issue Agreement dated March 6, 2018 between our Company and the BRLM.
2. Registrar Agreement dated March 6, 2018 executed between our Company and the Registrar to the Issue i.e. Link Intime India Private Limited
3. Market Making Agreement dated March 6, 2018 between our Company, the BRLM and Market Maker to the Issue.
4. Banker to the Issue Agreement dated [●] among our Company, the BRLM, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company and Underwriter, i.e. the BRLM.
6. Tripartite Agreement dated December 11, 2017 among CDSL, our Company and the Registrar to the Issue.
7. Tripartite Agreement dated December 22, 2017 among NDSL, our Company and the Registrar to the Issue.
8. Syndicate Agreement dated [●] between our Company, the BRLM and members of Syndicate.
9. Agreement dated July 07, 2017 between our Company and Mr. Atil C. Parikh, CEO & MD of our Company.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Copy of the Board Resolution dated October 13, 2017 authorizing the Issue and other related matters.
3. Copy of the Shareholders' Resolution dated November 06, 2017 authorizing the Issue and other related matters.
4. Copy of the Board Resolution dated March 6, 2018 and copy of the Shareholders' Resolution dated March 6, 2018 authorizing the Pre-IPO Placement.
5. Copies of Annual Reports of our Company for the financial year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and audited accounts of our Company for the six months ended September 30, 2017.
6. The examination report of statutory auditors of our Company, M/s K. M. Swadia & Company, Chartered Accountants dated December 30, 2017 on Restated Financial Statements of our Company for financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and on restated accounts of our Company for the six months ended September 30, 2017.

7. Copy of the Statement of Tax Benefits dated December 30, 2017 from the Statutory Auditors.
8. Consents of the BRLM, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter\*, Banker to our Company, Banker to the Issue\*, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, to act in their respective capacities.  
\* Will be updated at the time of filing of Red Herring Prospectus.
9. Consent of M/s K. M. Swadia & Company, Chartered Accountants, Statutory Auditors of the Company, to be named as an “expert” under the Companies Act, 2013 and for inclusion of their name as the statutory auditors and of their report in this DRHP.
10. Copy of IPO Committee Resolution dated March 19, 2018 approving the Draft Red Herring Prospectus and IPO Committee Resolution dated [●] approving the Red Herring Prospectus and dated [●] approving the Prospectus.
11. Due Diligence Certificate from the BRLM dated March 19, 2018 filed with NSE EMERGE.
12. In-principle approval letter dated [●] of NSE to use the name of NSE in the Red Herring Prospectus and the Prospectus for listing of Equity Shares on NSE EMERGE.

*Any of the contracts or documents mentioned in this DRHP may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.*

## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### Signed by all the Directors of our Company

Name & Designation	Signature
Mr. Chandresh Shantilal Parikh (Director)	Sd/-
Mr. Atil Chandreshbhai Parikh (Chief Executive Officer & Managing Director)	Sd/-
Mr. Rajesh Chandreshbhai Parikh (Director)	Sd/-
Mr. Sudhir Rameshkant Parikh (Director)	Sd/-
Ms. Darsha R. Kikani (Independent Director)	Sd/-
Mr. Ramkisan Amirchand Devidayal (Independent Director)	Sd/-

### Signed by Chief Financial Officer of our Company

Mr. Narendrakumar Ratilal Patel Chief Financial Officer	Sd/-
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**Date:** March 19, 2018

**Place:** Vadodara