



VALIANT ORGANICS LIMITED

CIN: U24230MH2005PLC151348

Our Company was incorporated as Valiant Organics Private Limited on February 16, 2005 under the Companies Act, 1956 bearing Registration No. 151348 and having its Registered Office in Mumbai, Maharashtra. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Valiant Organics Limited vide special resolution dated November 26, 2014. A fresh Certificate of Incorporation consequent upon change of name was issued on July 31, 2015 by the Registrar of Companies, Mumbai, Maharashtra. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter “History and Certain Corporate Matters” on page no. 90 of this Draft Prospectus.

Registered Office: 109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund -West, Mumbai - 400 080.

Tel No.: +91 - 22 - 2591 3767 / 3766; **Fax No.:** +91 - 22 - 2591 3765 **Email:** investor@valiant.com; **Website:** www.valiantorganics.com

Contact Person: Mr. Arvind Chheda, Whole Time Director.

Our Promoters: Mr. Hemchand Gala; Mr. Arvind Chheda; Mr. Vicky Gala; Mrs. Aarti Gogri; Dr. Manisha Gogri

THE OFFER

PUBLIC OFFER OF UPTO 9,64,800 EQUITY SHARES OF ₹10/- EACH (“EQUITY SHARES”) OF VALIANT ORGANICS LIMITED (“VOL” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹[●] PER SHARE (THE “OFFER PRICE”), AGGREGATING TO ₹[●] LAKHS (“THE OFFER”) THROUGH AN OFFER FOR SALE BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE SECTION “DEFINITIONS AND ABBREVIATIONS”) AGGREGATING TO ₹[●] LAKHS (“THE OFFER”), OF WHICH, 48,240 EQUITY SHARES OF ₹10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE OFFER (THE “MARKET MAKER RESERVATION PORTION”). THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF 9,16,560 EQUITY SHARES OF ₹10/- EACH IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE 26.50% AND 25.18%, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹10 AND THE OFFER PRICE IS [●] TIMES OF THE FACE VALUE

THIS OFFER IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME. For further details see “Offer Related Information” beginning on page no. 174 of this Draft Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Offer only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Offer Procedure” on page no. 182 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST OFFER

This being the first public Offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders in consultation with the Lead Manager as stated under “Basis for Offer Price” beginning on page no. 56 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer 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 the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page no. 9 of this Draft Prospectus.

COMPANY’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, having made all reasonable inquiries, accepts responsibility for and confirms that the information in relation to itself and the equity shares being sold by it in the Offer for Sale contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect.

LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME platform of BSE i.e., “BSE SME PLATFORM”. Our Company has received an approval letter dated [●] from BSE for using its name in the Offer Document for listing of our shares on the BSE SME Platform, For the purpose of the Offer, the Designated Stock exchange will be the BSE Limited (“BSE”).

LEAD MANAGER

REGISTRAR TO THE OFFER



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001

Tel No.: +91 – 22 – 6216 6999

Fax No.: +91 – 22 – 2263 0434

Email: info@afsl.co.in

Website: www.afsl.co.in

Investor Grievance Email: feedback@afsl.co.in

Contact Person: Mr. Shreyas Shah / Mr. Shashwat Sharma

SEBI Registration No.: INM000011344

BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka,
Andheri (E), Mumbai - 400 072

Tel No.: +91 – 22 – 4043 0200

Fax No.: +91 – 22 – 2847 5207

Email: ipo@bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Ashok Shetty

SEBI Registration No.: INR000001385

OFFER OPENS ON

OFFER CLOSES ON

[●]

[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
Valiant Organics Ltd / VOL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Valiant Organics Ltd, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Mumbai, Maharashtra.
Promoter(s)	The Promoters of our company: Mr. Arvind Chheda Mr. Hemchand Gala Mr. Vicky Gala Mrs. Aarti Gogri Dr. Manisha Gogri
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “Our Promoters, Promoter Group and Group Companies” on page no. 105 of this Draft Prospectus.

Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Valiant Organics Ltd.
Auditor of the Company (Statutory Auditor)	M/s Madan Dedhia & Associates, Chartered Accountants, having their office at 204, Chheda Bhavan, 98, Surat Street Masjid (East), Mumbai – 400-009
Audit Committee	The Audit Committee constituted by our Board of Directors on July 26, 2016
Board of Directors / Board	The Board of Directors of Valiant Organics Limited, including all duly constituted Committees thereof.
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
Company Secretary and Compliance Officer	[•]
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Valiant Organics Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
Equity Shareholders	Persons holding Equity Share of our Company
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Valiant Organics Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	V.J. Shah & Company, Chartered Accountant having their office at 401-406, 'K' Building, 24 Walchand Hirachand Marg, Ballard Estate, CST, Mumbai - 400 001
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated

Term	Description
	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.
Promoters / Core Promoter(s)	The Promoters of our company: Mr. Arvind Chheda Mr. Hemchand Gala Mr. Vicky Gala Mrs. Aarti Gogri Dr. Manisha Gogri
Promoter Group	Promoter Group consist of Individuals, HUFs, Companies, Firms, etc. as mentioned in the chapter titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page no. 105 of this Draft Prospectus.
Registered Office	109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund – West, Mumbai 400080
RoC	Registrar of Companies, Mumbai, Maharashtra.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.

Offer related Terms

Term	Description
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to successful Applicants.
Allottee	The successful applicant to whom the Equity Shares are being / have been offered.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Offer
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Draft Prospectus / Prospectus and the Application Form
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “General Information” on page no. 31 of this Prospectus.
Banker(s) to the Offer	The banks which are Clearing Members and registered with SEBI as Banker to an Offer with whom the Escrow Agreement is entered and in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer and which is described in the chapter titled “ <i>Offer Procedure</i> ” beginning on page no. 182 of this Draft Prospectus.
Business Day	Monday to Friday (except public holidays)
BSE	BSE Limited
Category III FPI	Investors including endowments, charitable societies, charitable trusts, foundations, corporate bodies, trust, individuals and family offices which are not eligible for registration under Category I and II under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated

Term	Description
	Stock Exchange.
Controlling Branches	Such Branches of the SCSBs which co-ordinate Application by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Offer
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Applicants to the Public Offer Account.
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Stock Exchange	SME Exchange of BSE Limited
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an Offer or invitation under this Offer and in relation to whom the Draft Prospectus constitutes an invitation to Application on the basis of the terms thereof.
Equity Shares	Equity shares of our Company of ₹10 each
Escrow Agreement	Agreement entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Offer to receive monies from the ASBA Applicants through the SCSBs Bank Account on the Designated Date in the Public Offer Account.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
LM / Lead Manager	Lead Manager to the Offer, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Offer	The Offer of upto 9,16,560 Equity Shares of ₹ 10 each at ₹ [●] (including share premium of ₹ [●]) per Equity Share aggregating to ₹ [●] lakhs by Valiant Organics Limited
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Offer / Offer Size / Offer for Sale	This Offer for Sale of upto 9,64,800 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) aggregating to ₹ [●] lakhs consisting of the Offer for Sale by the Selling Shareholders.
Offer Closing date	The date on which the Offer closes for subscription being [●]

Term	Description
Offer Opening date	The date on which the Offer opens for subscription being [●]
Offer Price	The price at which the Equity Shares are being offered by our Company under this Draft Prospectus being ₹ [●].
Offer Proceeds	The proceeds of the Offer as stipulated by the Company and Selling Shareholders. For further information about use of the Offer Proceeds please see the chapter titled “ <i>Objects of the Offer</i> ” beginning on page no. 53 of this Draft Prospectus
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Offer opening and closing dates and other information.
Public Offer Account	Account opened with Bankers to the Offer for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Applications and does not include FVCIs and multilateral and bilateral institutions.
Registrar/ Registrar to the Offer	Registrar to the Offer being Bigshare Services Private Limited.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Regulation / SEBI (ICDR) Regulations / Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as the case may be.
Self Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Offer) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf
Selling Shareholders	Mr. Arvind Chheda; Mr. Hemchand Gala; Mr. Vicky Gala; Mrs. Aarti Gogri; Dr. Manisha Gogri; Mrs. Dhanvati Gala; Mr. Sumeet Salva; & Mrs. Meena Chheda
Share Escrow Agent	Share Escrow agent appointed pursuant to the Share Escrow Agreement, being [●]
Share Escrow Agreement	Agreement dated [●] entered into between the Selling Shareholders, our Company, the Escrow Agent and the Lead Manager in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees.
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters, the Selling Shareholders and our Company dated [●].

Term	Description
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

Technical / Industry related Terms

Term	Description
2,4-DCP	2,4 Di-Chloro phenol
2,6-DCP	2,6 Di-Chloro phenol
ACC	American Chemistry Council
ARM	Additional Revenue Measures
CSO	Central Statistics Office
CRFIC	Cefic European Chemical Industry Council
EMDE	Emerging Market and Developing economies
HCL	Hydrogen Chloride
IMF	International Monetary Fund
IIP	Index of Industrial Production
MYEA	Mid-Year Economic Analysis
NSSO	National Sample Survey Office
OECD	Organisation for Economic Co-operation and Development
OCP	Ortho Chloro phenol
PC	Pay Commission
PCP	Para Chloro phenol
PPP	Purchasing Power Parity
WEO	World Economic Outlook

Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AEs	Advanced Economies
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EOGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated

Term	Description
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
IPO	Initial Public Offering
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs. or N	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI (LODR) Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

Financial Data

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

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 9, 72 and 138 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

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

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no. 228 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and 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.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

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

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Our Business*” and chapters titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 9, 72 and 138 of this Draft Prospectus, respectively.

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

SECTION-II: RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page nos. 72 and 138 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

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

Materiality

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

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

Internal Risk Factors

1. ***There are certain legal proceedings and claims involving our Company and the same is pending before the Hon’ble High Court of Bombay. Any orders and/or decrees against our Company may have an adverse material impact on inter-alia our financial condition***

Our Company is involved in certain legal proceedings and claims, which is pending before the Hon’ble High Court of Bombay.

The amounts claimed in this litigation have been disclosed to the extent ascertainable. Any developments in the proceedings or any orders and/or decrees against our Company and/or Promoters and/or Directors may have an adverse material impact on inter-alia our financial condition:

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

Sr. No.	Nature of Matter	No. of Matters	Amount (to the extent quantifiable) (₹ in lakhs)
1.	Litigation involving Direct Tax Liabilities	1	37.50*

**This is the amount of depreciation on technical know how, which is disputed. However the amount of liability, if any, which may arise as a result of this litigation, is presently unascertainable.*

For further details please refer to section titled “Outstanding Litigations and Material Developments” on page no. 149 of this Draft Prospectus

2. *We require certain registrations and permits from government and regulatory authorities in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.*

We require certain registrations, permits and approvals for operating our business. While we have most of the material approvals in place, we have made applications to relevant authorities to obtain certain registrations, permits and approvals including inter-alia application for registration as an employer under the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976, and the final registrations, etc. are awaited. Further, we are in the process of applying for certain other registrations, etc. required by our Company, including inter-alia, (i) Certificate of Enrolment under the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 and (ii) Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

Additionally, we have misplaced certain original documents/approvals/permissions and the same cannot be found, neither do we have a copy of the same, including inter-alia our original Certificate of Registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

Further, we have acquired Valiant Chemical Corporation, a partnership firm along with its assets (including registrations, permits and approvals for operating its business) and liabilities. Post such acquisition, we have caused our name to be included in place of Valiant Chemical Corporation in approvals, registrations, etc., which were in the name of the said firm. For certain registrations, permits and approvals such exercise is yet to be completed. Pursuant to the change from a private company to a public company, we have also caused a change in name from Valiant Organics Pvt. Ltd. to Valiant Organics Ltd. in approvals, registrations obtained by us. For certain registrations, permits and approvals such exercise is yet to be completed.

Further, there may be certain other registrations, permits and approvals, which we may need to obtain for our business as per the applicable laws.

If we fail to obtain any registration, permit or approval or duplicate thereof (where the original is misplaced and cannot be found), whether applied for or otherwise, for our business, in a timely manner or at all, our overall business, financial condition and/or results of operations may be adversely affected and our Company, directors and/or officers may be subjected to proceedings under the relevant statute. Further, there can be no assurance that such approvals will be granted in timely manner or at all.

3. *Non-compliance of the terms and conditions in the Approvals, Licenses and Registrations may affect our operations.*

Certain licenses and registrations obtained by our Company, including but not limited to the consents and authorisations issued by the Gujarat Pollution Control Board contain certain terms and conditions, which are required to be complied with by our Company. Any default by our Company in complying with the same, may result in inter-alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations and financial strength.

4. *We have not registered our Trademark name.*

We have not applied for our registered trademark or logo and therefore, we do not enjoy the statutory protection accorded with the registered trademark. Consequently, we are subject to various risks arising out of the same, including but not limited to passing off our namreand/logo by a third party

5. *Contingent liabilities that materialize could adversely affect our financial condition.*

As of March 31, 2016 we had contingent liabilities, in the following amounts, as disclosed in our restated financial statements:

(₹ In lakhs)	
Particulars	As at March 31, 2016
Letters of Credits, Bank Guarantees & Bills discounted	331.03
Estimated Amount of contracts to be executed on capital accounts (net of advances)	14.57
Total	345.59

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations.

- 6. *Our manufacturing unit is situated on plots that are taken on long-term lease from G.I.D.C., and we will have to comply with the terms and conditions/covenants laid down in lease agreements with G.I.D.C., non-compliance of the same may affect our business operations.***

Our Company have its manufacturing unit situated at plot nos. 2906, 752 – 755 located at Sarigam Industrial Estate, Village - Sarigam, Taluka – Umbergaon, District – Valsad, Gujarat within G.I.D.C. limits. The said plots are taken on long-term lease from G.I.D.C. We have been complying with all on-going requirements of G.I.D.C. and as on date of this Draft Prospectus there are no litigations or disputes on our occupancy of such lands with G.I.D.C. However, any defaults in complying with the said terms and conditions/covenants on our part may be subjected to penal provisions and it may also lead to the cancellation of such lease, which will adversely affect our business, financial conditions and results of operations.

For further details regarding these lands, please see the para titled “Properties” beginning on page no. 79 of this Draft Prospectus.

- 7. *We depend on a limited number of customers for a significant portion of our revenues. The loss of a major customer or significant reduction in production and sales of, or demand for our products from, our major customers may adversely affect our business, financial condition, results of operations and prospects.***

We derive our entire operational revenues from sale of chlorophenols in the domestic as well as overseas market. We depend on a limited number of customers for a significant portion of our revenues. Revenue from our top 10 customers constituted 82.08% and 74.78% of our net sales for fiscal 2015 and 2016 respectively. Our sales are on order basis and we do not have any contractual sales Demand for our products is related to customer’s requirements which are further related to factors such as demand of products where chlorophenols are applied in the manufacturing process and also the quality of products supplied by us. Further, we face competition from overseas manufacturers in the international market. However, we believe that we have good relationship with our customers, any loss of customer base, out of our existing customers, will impact our overall sales, resulting in a sharp decline in our revenues. Also, any reduction in orders from our existing clients may result in a decline in our revenues. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

- 8. *Our dependence on few suppliers puts us at risk of interruptions in the availability of raw materials, which could adversely affect our business, financial condition and results of operations. Further, we have not entered into any long-term agreements with our suppliers for raw materials and accordingly may face disruptions in supply from our current suppliers.***

We procure the various raw materials required for the manufacturing of chlorophenols from various companies in the domestic and international market. We chose to deal with suppliers on the basis of quality assurance, cost effectiveness availability and our relationships. Though we prefer to deal with a fixed set of suppliers with whom we have cordial relationships, there are no fixed suppliers for our raw material purchases and we have not entered into any fixed supply agreement or MoU or any other arrangement with any of our suppliers. Our top 10 suppliers contribute to 83.68% and 78.74% of our purchases for the fiscal 2015 and 2016 respectively. We typically transact on an invoice basis for each order. These suppliers have accorded their trust and service based on our long operating history in the industry, our credit worthiness, and our goodwill. However, in the absence of written agreements, our suppliers are not bound to supply goods to us and can withdraw their commitments from us at any time. There can be no assurance that there will not be a significant disruption in the supply of raw materials from current sources, or, in the event of a disruption, that we would be able to locate alternative suppliers of the raw materials of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, consistency, responsiveness and service, financial stability and other ethical practices.

In case any of our suppliers discontinue their relationship with us, we may have to procure the raw materials from other locations leading to additional costs on transportation. Also, we cannot assure that our raw material supply will not face disruption due to increased lead time for supply of raw materials leading to either disruption in our manufacturing activity or a complete stopping of the same. Most of our raw materials are of sensitive nature and their

supply may be regulated by various government / regulatory authority. If we are unable to maintain our relationship with our current raw material suppliers it may prove difficult to obtain the same from other regulated players.

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

We are engaged in the manufacture of chlorophenols and have our manufacturing unit in the Gujarat. We procure raw materials from our vendors across the country and also import certain raw materials. Also, our finished products are sold and delivered to different location within the country and also exported to various countries. Most of these raw material and finished products are transported to and from our manufacturing unit by third party transportation providers. Transportation strikes could have an adverse effect on our receipt of goods, raw materials and our ability to deliver our products to our customers. Non-availability of ships, barges and trucks could also adversely affect our receipt of goods, raw materials and the delivery of our products.

In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. Further, India's physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of goods, raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

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

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

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

Our manufacturing operations have been geographically concentrated in the State of Gujarat. Though we have customer relations in various parts of India, our export market is limited to a few regions in U.S.A., Europe and Asia. Our total export sales for the financial year 2015-16 amounted to 44.35% of the total sales. Our business is therefore significantly dependent on the general economic condition and activity in the domestic and international market in which we operate along with the Government policies relating to chemical industry in all these regions, including central, state and local government policies in India. Although investment in the chemical industry in the areas in which we operate has been encouraged, there can be no assurance that this will continue. We may expand geographically in the domestic and international market, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake operations in other geographic areas in which we do not possess the same level of familiarity as competitors. If we undertake operations in different geographical

locations than those currently is; we may be affected by various factors, including but not limited to adjusting our products to the new geographic area, ascertaining the creditworthiness of the buyer and maintain credit terms with the same, obtaining necessary government and other approvals in time or at all, failure to realize expected synergies and cost savings, attracting potential customers in a market in which we do not have significant experience, and cost of hiring new employees and absorbing increased costs.

12. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. Since our trademark is not registered, it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease. However, there are very few manufacturers of chlorophenols in the country and our direct interaction with our client will also aid in the not getting our business hampered due to such infringement.

13. We have in the past acquired plots of leasehold land from our Promoter Group entity.

Our Company has acquired through assignment Plots No. 752, 753 and 754 located at Sarigam Industrial Estate, Village - Sarigam, Taluka - Umbergaon, District - Valsad, Gujarat within G.I.D.C. limits from one of our Promoter Group Entity Aarti Industries Limited in the recent past.

We believe that the said transaction was made on an arms-length basis; and we shall endeavour to ensure all such future transactions follow the arm's length principal, our inability, if any to avoid such conflicts of interests may affect our business operations and cash flows adversely.

For further details relating to such transaction, please see chapter titled "Our Business" beginning on page no. 72 of the Draft Prospectus.

14. Some of our promoters may have interests in our company other than re-imbursement of expenses incurred or normal remuneration or benefits.

Unlike Mr. Hemchand Gala, Mr. Vicky Gala and Mr. Arvind Chheda; our other promoters Mrs. Aarti Gogri and Dr. Manisha Gogri are not actively involved in our business operations and are also not on our board. However, as part of routine business operations our company has certain transactions with some of the members of this promoter group.

Following are the transactions of our company with these promoter group entities in the last three years:

Sr. No.	Promoter Group Entity	Nature of Transactions	FY 2016 (₹ In lakhs)	FY 2015 (₹ in lakhs)	FY 2014 (₹ In lakhs)
1.	Aarti Industries Ltd.	Purchases	262.17	273.50	236.08
2.	Aarti Drugs Ltd.	Sales	127.14	138.99	65.87
3.	DRL Cargo Carriers Ltd.	Transportation Expenses	4.21	9.60	0.76
4.	MirikGogri	Remunerations	15.84	15.84	14.40
5.	Beena Gala	Remunerations	2.18	1.98	1.80

We believe that all the above transactions are done at arm's length basis; however, such transactions may be deemed to be additional interests of our promoters in our company and may lead to potential conflict of interests in the future.

Further, all of our promoter shareholders, director shareholders may be deemed to be interested in our company w.r.t to the shares held by them or their relatives and the dividend payouts, buy back transactions, bonus issues and other such shareholder corporate actions of our company. Our inability if any in avoiding conflicts of interests in the future with promoters, directors or key managerial persons may adversely affect our results of operations and cash flows..

15. Some of our non-promoter shareholders may have interests in our company other than as shareholders

Our non-promoter shareholders - namely Mr. Summet Savla, Mrs. Bhanumati Savla and Mrs. Meena Chedda have certain interests in our company other than as shareholders. Following are the transactions entered into by our company with these entities or their relatives:

Sr. No.	Name of Interested Party	Type of Transaction	FY 2016	FY 2015	FY 2014
1.	Mr. Sumeet Savla	Professional Services Fees	10.56	10.56	9.60
2.	Mrs. Meena Chedda	Professional Services Fees	6.60	6.60	6.00

We believe that all the above transactions are done at arm's length basis; however, such transactions may be deemed to be additional interests of our these shareholders in our company and may lead to potential conflict of interests in the future

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

Our Company has entered into certain transactions with our related parties including our Promoter, the Promoter Group, our Directors and their their relatives. While we believe that all such transactions have been conducted on the arms-length basis, there can be no assurance that we could not have been achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to "Related Party Transactions" beginning on page no. 133 of the Draft Prospectus.

17. Our operations are subject to various health and safety laws and regulations. Our failure to comply with environmental laws and similar regulations in India, including improper handling of raw materials and finished goods, may result in significant damages and may have an adverse effect our business, financial condition and results of operations.

We deal in toxic and poisonous products and store / use such products in the manufacturing process. Our business is contingent upon, among other things, receipt of all required health and safety permits, and our ability to comply with any conditions specified in such permits and registrations, on a continuous basis. Changes or concessions required by regulatory authorities may involve significant compliance costs and also result in delays, prevent completion of construction or opening of a plant or result in the loss of an existing license, which may adversely affect our business and results of operations. Further, we are subject to various environmental laws and regulations relating to environmental protection in various locations in India. Stricter laws and regulations, or stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or results of operation. Our failure to obtain required licenses or renew expired licenses or to otherwise comply with various regulatory requirements may have a material adverse effect on our financial conditions and results of operations.

18. Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activities in the past, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had reported certain negative cash flows from our operating activities, investing activities and financing activities in the previous years / periods as per the restated financial statements and the same are summarized as under:

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Cash flow from Operating Activities	1,106.37	580.70	265.80	782.33	255.10
Cash flow from Investing Activities	(146.94)	(82.65)	(193.67)	(298.37)	(80.12)
Cash flow from Financing Activities	(924.81)	(498.59)	(237.68)	(496.53)	(159.61)
Net increase / (decrease) in cash and cash equivalents	34.61	(0.54)	(165.56)	(12.58)	15.37

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 our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

- 19. *We are dependent on our Individual Promoter-Directors, mainly Mr. Hemchand Gala and Mr. Arvind Chheda for their expertise and market goodwill. Our separation, if any, from our Promoters may adversely affect our business.***

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

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

Our Company is depending significantly on the expertise, experience and continued efforts of our key managerial personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. The manufacturing process of chlorophenols requires personnel with specific technical knowledge and experience. We are dependent on our Key Managerial Personnel for implementing our strategies and managing key roles of our business. The loss of our key managerial personnel may materially and adversely impact our business, results of operations and financial condition.

- 21. *Fluctuating prices of major raw material namely, chlorine gas and phenol may affect our business operations.***

We procure Chlorine gas from domestic sources, mainly from Gujarat Alkalies and Chemicals Limited. Phenol is imported at the existing market rates. However, the prices of these materials are subject to rapid fluctuations owing to changes in production, demand-supply forces and consumption pattern which are not within our control. Sometimes, we may not be able to pass the increased prices of our products to our customers leading to reduced margins or possibility of losses, thereby having adverse impact on our business, financial conditions and results of operations.

- 22. *Our business activities are dependent upon availability of skilled and unskilled labour.***

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.

- 23. *The shortage or non-availability of power may adversely affect our manufacturing process and our performance may be affected adversely.***

Our business processes requires power, mainly uninterrupted. Our manufacturing unit may face power interruptions due to power cuts and as a result our operations or financial condition may be adversely affected. However, our Company owns D.G. sets / generators which we use during such power crisis. But the use of such alternative arrangements is costly and it affects the profitability of our Company.

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

Employee misconduct or errors could expose us to business risks or losses, including termination of our orders- in-hand, regulatory sanctions and serious harm to our reputation. Since we handle toxic and poisonous raw materials and finished product, employee errors can be even more fatal and could cause mishaps at our manufacturing unit. However, there have not been any such incidence in the past, we cannot guarantee that such things will not occur in future. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

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

We need labour for our operations. While we believe that our relation with our workers and cordial and we have not faced any disruptions in work in the past, we are unable to assure that we will not experience disruptions to our

operations in the future due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

26. *The loss of or shutdown of operations at our manufacturing unit may have a material adverse effect on our business, financial condition and results of operations.*

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

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

As on March 31, 2016, our Company has outstanding secured loans of ₹ 97.13 lakhs from Citi Bank. As per our current financing arrangements with them, we are subject to certain restrictive covenants which require us to obtain their prior consent before undertaking certain corporate actions such as further borrowings, creation of fresh, charge on assets, changes in equity and management, declaration of dividends, etc. For further details on the restrictive covenants, see section titled “Financial Indebtedness” beginning on page no. 147 of the Draft Prospectus.

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

We are insured for a number of the risks associated with our several businesses, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. We also maintain marine policies, public liability industrial insurance policy, consequential loss (fire) policy, money insurance policy, and workmen’s compensation policies, wherever required. We believe we have got our assets and goods adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

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

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Currently, our Company imports phenol and export chlorophenols. Fluctuations in the exchange rates may affect the Company to the extent of goods imported or exported by our Company. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company’s profitability.

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

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

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

Our manufacturing operations involve daily use of technical equipments and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service contract with any competent third party. However, we have entered into an annual maintenance contract for few laboratory / electronic equipments. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and results of operations.

32. *We face competition in our business which may adversely affect our business operation and financial condition.*

There are very few manufacturers of chlorophenol in India. We see Chinese manufacturers of chlorophenols as our primary competitors. We face substantial competition on the basis of product range, product quality, and product price including factors, based on reputation, needs, and customer convenience. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

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

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We plan to increase our production capacities over the period of next three years. There could be delays in increasing our production capacities on account of lack of necessary approvals, requisite equipments, manpower, other utilities, etc. We also plan to improve our operational efficiencies over the period. We believe our experience and expertise will help us in this, we may not be able to execute our strategies in time or at all in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long- term business outlook.

34. *Post this Offer, our Promoter and Promoter Group shareholding will be diluted in Our Company.*

Post this Offer, our Promoters and Promoter Group will collectively own only 52.00% of our Equity Share capital. Accordingly, our Company will not be able to stop any special resolution being passed by the shareholders of our Company even though it is in the best interest of our Company or prevent a change in control in our Company, facilitate a merger, consolidation, takeover or other business combination involving our Company, or encourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company even if it is not in its best interest.

35. *We have been paying dividends regularly since last few financial years. However, our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.*

We have been paying dividends regularly since last few financial years. However, there is no guarantee that we shall be able to or shall pay dividends in the future. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital and capital expenditure requirements. Kindly refer the chapter titled “Dividend Policy” beginning on page no. 112 of the Draft Prospectus. Further, we cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our shareholders consistent with our past practice, or at all.

36. *Our Company has allotted Equity Shares during the preceding one year from the date of the Draft Prospectus at a price which is lower than the Offer Price.*

Our Company has allotted the following Equity Shares during the preceding one year from the date of the Draft Prospectus at a price which is lower than the Offer Price:

Date of Allotment	Name of the Allottees	Number of Shares	Issue Price (₹)	Reasons
August 01, 2015	All Shareholders of the Company as on that date	32,76,288	Nil	Bonus Allotment

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

This Offer comprises of Offer for sale of 9,64,800 Equity Shares by the Selling Shareholders. The proceeds from the Offer pertaining to the above sale shares will be paid to the aforesaid persons in proportion of the Equity Shares offered by them in the Offer and we will not receive any proceeds from the Offer. For further details, please refer the chapter titled “Objects of the Offer” on page no. 53 of the Draft Prospectus.

38. Any changes in regulations or applicable government policies would materially affect our operations and growth prospects.

We are subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 81 of the Draft Prospectus. Our business could be materially affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which would have a material adverse effect on our business, financial condition and results of operations.

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

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

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

Any future issuance of Equity Shares by our Company could dilute the investors’ shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Upon completion of the Offer, 20% of our post-Offer paid-up capital held by our Promoters will be locked up for a period of three years and entire pre-Offer Equity Share Capital will be locked up for a period of one year from the date of allotment of Equity Shares in the Offer. For further information relating to such Equity Shares that will be locked, please refer the chapter titled “Capital Structure” beginning on page no. 49 of the Draft Prospectus.

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

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

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

refer to the section titled “General Information – Details of the Market Making Arrangement for this Offer” on page no. 35 of this Draft Prospectus.

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

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

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

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

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

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

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

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

External Risk Factors

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian

company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

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

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

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

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

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

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

49. 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.

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

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

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

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

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

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business, including those relating to consumer protection, Internet and privacy. For details of the material laws currently applicable to us, please see the chapter titled "Key Industry Regulations and Policies" beginning on page no. 81 of this Draft Prospectus.

There can be no assurance that the Government may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our cash flows and in turn affect our results of operations.

PROMINENT NOTES

1. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Offer. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
2. The Net Worth of our Company is ₹ 2,275.26 lakhs and the book value of each Equity Share was ₹ 62.50 as of March 31, 2016 as per our Restated Financial Statements. For more information, please refer the Section titled "Financial Information" beginning on page no. 113 of this Draft Prospectus.
3. Public Offer of 9,64,800 Equity Shares consisting of an entire Offer for Sale by the Selling Shareholders, for cash at price of ₹ [●] per share including a premium of ₹ [●] aggregating to ₹ [●] lakhs. The Offer will constitute 26.50% of the post-Offer paid-up Equity Share capital of our Company.
4. The average cost of acquisition of Equity Shares held by all our Promoters is NIL as on date of this Draft Prospectus.
5. Investors are advised to refer to the chapter titled "Basis for Offer Price" beginning on page no. 56 of this Draft Prospectus.
6. For details of the related party transactions, including details of transactions between the Company with its Directors, Key Managerial Persons, Promoters, Group Companies and the cumulative value of such transactions, see Annexure – XXIII - Related Party Transactions on page no. 133 of the Draft Prospectus.

7. For information on changes in Company's name and changes in object clause in the Memorandum of Association of the Company, see chapter titled "History and Certain Corporate Matters" beginning on page no. 90 of the Draft Prospectus.
8. There are no financing arrangements whereby the Promoter Group, the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.
9. This business was originally begun in the year 1984 as a partnership concern in the name and style of Valiant Chemical Corporation and Our Company was incorporated as Valiant Organics Pvt. Ltd. on February 16, 2005 under the Companies Act, 1956, with the Registrar of Companies, Mumbai bearing Registration Number – 151348. The status of our Company was changed to a public limited company and the name of our Company was changed to Valiant Organics Ltd. by a special resolution passed on November 26, 2014. A fresh certificate of incorporation consequent to the change of name was granted to our Company on July 31, 2015, by the Registrar of Companies, Mumbai. The Company's Corporate Identity Number is U24230MH2005PLC151348.
10. Trading in Equity Shares for all investors shall be in dematerialized form only.

SECTION – III – INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

GLOBAL ECONOMIC OVERVIEW

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.

The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility.

(Source: Economic Survey 2015-16- Volume-I; www.indianbudget.nic.in)

INDUSTRIAL PERFORMANCE

Growth in industry is estimated to have accelerated during the current year on the strength of improving manufacturing activity. The private corporate sector, with an around 69 per cent share of the manufacturing sector, is estimated, from available data of listed companies, to grow by 9.9 per cent at current prices in April-December 2015-16.

The Index of Industrial Production (IIP) showed that manufacturing production grew by 3.1 per cent during April-December 2015-16, vis-à-vis a growth of 1.8 per cent in the corresponding period of the previous year. The ongoing manufacturing recovery in the current year is aided by robust growth in petroleum refining, automobiles, wearing apparels, chemicals, electrical machinery and wood products and furniture.

Apart from manufacturing, the other three segments of the industry sector, i.e. electricity, gas, water supply and related utilities, mining and quarrying and construction activities, are witnessing a deceleration in growth. More than half of the Indian economy is the services sector. Being the main driver of the economy, the sector contributed about 69 per cent of the total growth during 2011- 12 to 2015-16; in the process expanding its share in the economy by 4 percentage points from 49 to 53 per cent

The eight core infrastructure-supportive industries--coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity--that have a total weight of nearly 38 per cent in the IIP registered a cumulative growth of 1.9 per cent during April-December 2015-16 as compared to 5.7 per cent during April-December, 2014- 15. Month-wise performance of eight core sectors shows that the production of coal and fertilizer increased substantially, while that of crude oil, natural gas and steel mostly declined. Refinery products, cement and electricity attained moderate growth.

(Source: Economic Survey 2015-16- Volume-II; www.indianbudget.nic.in)

GLOBAL TRENDS IN CHEMICAL SALES

The global chemicals industry has grown steadily over the past several decades. Chemical industry data cited by OECD indicate that global chemical industry output was valued at US\$ 171 billion in 1970.¹¹ In 2010, industry sources valued global output at US\$ 4.12 trillion.¹² These figures are not adjusted to account for inflation or price changes, so they do not represent the real growth of the industry.

In real terms, information on growth is available through production indices calculated by the industry. In the decade 2000 to 2010, the Global Chemical Production Regional Index calculated by the American Chemistry Council shows that total production increased 54 per cent.¹³ Certain countries experienced particularly rapid growth; for example, in China, production nearly tripled over that time period.¹⁴ In 2010, China was the largest chemical producing country, with sales of US\$ 754 billion.

The OECD countries as a group size account for the bulk of world chemical products on, but developing countries and countries with economies in transition are increasingly significant.¹⁶ An analysis by OECD notes that while annual global chemical sales doubled over the period 2000 to 2009, OECD's share decreased from 77 to 63 per cent and the share of the BRIICS countries (Brazil, Russia, India, Indonesia, China and South Africa) increased from 13 to 28 per cent.

Countries that accounted for a minimal percentage of global production 40 years ago have grown to become major producers. According to an analysis by the European Chemical Industry Council (CEFIC), over the period 2000 to 2010, the share of the EU chemical industry went from 29.2 per cent of total global sales to just 20.9 per cent of the total.

During this same time period, China's share rose from 6.4 to 24.4 per cent. The share of other Asian countries and of Latin America also rose. These figures are all based on dollar values, not chemical production volume. Africa's contribution to global chemical production is small, but the chemicals sector is expected to play an increasingly important role in the economies of specific African countries. For example, although small relative to the primary chemical producing nations, South Africa's chemical industry is the largest in Africa, contributing about 5 per cent of GDP and employing approximately 150,000 people.¹⁹ Annual production of primary and secondary process chemicals is on the order of 13 million metric tonnes, with a value of approximately US\$ 3 million.²⁰ In Northern Africa, there are strong chemicals industries in Algeria, Egypt, Libya, Morocco and Tunisia, while in West Africa, Nigeria is the primary producer and user of chemicals. Currently, petrochemical commodities, polymers and fertilizers are the main chemical products of African countries. However, greater investment in oil and gas in a number of African countries suggests increasing capacity to support production of a range of chemical products, including pharmaceuticals and specialty chemicals.

Global Forecasts for the Chemical Industry: Looking Forward to 2020

In its 2001 report, *OECD Environmental Outlook for the Chemicals Industry*, OECD presented forecasts for the global chemicals industry, looking forward to 2020, using a base year of 1995. OECD projected that the share of global chemical production and consumption located in developing countries would increase. OECD noted that production of high volume basic chemicals, in particular, was expected to shift away from OECD countries. Based on its models and data available from industry sources at the time, OECD projected that by 2020, developing countries would be home to 31 per cent of global chemical production, and 33 per cent of global chemical consumption. In developing its projections, OECD assumed that the chemicals industry would grow approximately in tandem with world GDP, while population would grow more slowly, meaning that global chemical production per capita would increase

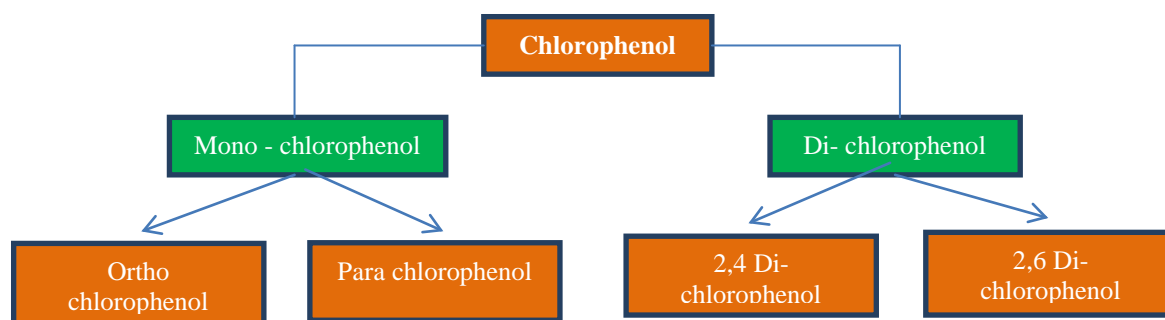
SUMMARY OF OUR BUSINESS

OVERVIEW

Valiant Organics Ltd. is a chemical manufacturing company with focus on manufacturing and marketing of different types of chlorophenol which is a chemical which has several applications mainly into agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs. We operate a single location manufacturing facility at Sarigam Industrial Estate having an installed capacity of 4,800 metric tonnes per annum.

This business was originally begun in the year 1984 as a partnership concern in the name and style of Valiant Chemical Corporation and our company was incorporated as a private limited company in 2005 with an object to acquire this partnership firm and subsequently the business is being run in our company. In 2015, our company was further converted into public limited company.

Currently, we manufacture Chlorophenols with the following range:



For further details on our products, please refer to para titled “Product Description” beginning on page no. 74 of the Draft Prospectus.

Our factory is well equipped with latest technology and advanced instruments in order to meet the international standards of quality which is well accepted not only by Indian customers, but also by our overseas customers in Europe, United States of America and Asia. We also offer customised specification of Chlorophenols as per the customer needs. Our manufacturing unit is strategically located at Sarigam in Umbergaon Taluka in Valsad District which is approximately at a distance of 180 kms from our main export port - NhavaSheva Port (JNPT) and approximately 155 kms from our office in Mumbai.

Our revenue from operations has increased at a CAGR of 12.37% from ₹ 3,267.67 lakhs in F.Y. 2012 to ₹ 5,209.94 lakhs in F.Y. 2016, our earnings before interest, depreciation and tax has increased at a CAGR of 24.33% from ₹ 718.36 lakhs in F.Y. 2012 to ₹ 1,716.40 lakhs in F.Y. 2016, and our profit after tax has increased at a CAGR of 27.36% from ₹ 391.78 lakhs in F.Y. 2012 to ₹ 1,030.64 lakhs in F.Y. 2016. We have delivered average Return on Net worth of 32.17% over the last five years.

Over the years we have built our goodwill amongst our customers and export markets and we believe the demand for our products are more than our supply capacity, hence, we have begun the process of applying with the government agencies to augment our production capacities upto 21,600 metric tonnes over the next few years in a phased manner. We believe that these expansion activities would be financed through our owned Networth and internal accruals or certain amount of banking facilities or a combination of the same.

Our Strengths

Unique product portfolio

We manufacture mono chlorophenols, namely Para Chlorophenol and Ortho Chlorophenol and di-chlorophenols, namely 2,4 Di-chlorophenol and 2,6 Di-chlorophenol. The chlorophenols we manufacture are mostly used in agro-chemical, dyes and pharmaceutical industry as intermediates. We believe that there are not many dedicated manufacturers of this product in India or in our export markets and hence we are able to price our products without substantial competition. We believe that our unique product portfolio coupled with our ability to customize when required, provides us a competitive advantage in our sector.

Experienced management and a well-trained employee base

Our management team combines youth and experience to outline plans for the future development of the company. Our Company started its operations in the year 1984, initially manufacturing Meta Chloroaniline and in 1997, we started manufacturing chlorophenols. Mr. Hemchand Gala, our Chairman and Managing Director have been in the chemical business for over 4 decades. Our other directors and key employees are from varied backgrounds including manufacturing, marketing and finance that help us in capitalising on diversified business avenues. It is due our strong business experience and management teams ability to identify cost-effective methods to deliver timely and high quality products that we have achieved string operational performance over the years. For details regarding the educational background and experience of our directors and key employees please see “Our Management” beginning on page no. 93 of this Draft Prospectus.

Fully Integrated Manufacturing Facility

We carry on all of our core manufacturing activities in-house and there is no substantial dependence on job-work of external manufacturing. Our manufacturing unit is fully integrated and self-sufficient. The raw materials and consumables are readily available. Further, all other utilities like fuel, power and human resources have posed no hurdle till date. All the equipments required for manufacturing the products in place. For further details on the list of equipments owned by our Company, please refer the para “*Equipments*” on page no. 77 of this Draft Prospectus.

Existing well established goodwill and client relationships

We believe that we constantly try to address customer needs with a variety of products. Our existing client relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We have existing client relationships with companies which get us repeat orders. We believe that our existing relationship and goodwill amongst our buyer markets represents a competitive advantage in gaining new clients and increasing our business with existing clients.

Our Strategies

Increase production capabilities

In focus areas, we have constantly enhanced our production capabilities. We plan to increase our installed capacity from existing 4800 MTPA to 21600MTPA over the period of the next three years. We currently operate at almost full utilizations of our installed capacities. The enhanced capacity will aid our Company in establishing market leadership and increase more customers.

Enhance customer base by entering new geographies to establish long-term relationships

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country and also world. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

Improving operational efficiencies

Our Company intends to improve efficiencies to achieve cost reductions so that our products can be competitive. We believe that this can be done through economies of scale. Further, the Company is also taking steps to reduce the consumption of power and other utilities. As a result of these measures, our Company will be able to increase its market share and profitability.

Leveraging our Market skills and Relationships

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

Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. This will also aid us in enhancing our brand value

SUMMARY OF FINANCIAL INFORMATION

Annexure I: STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
EQUITY AND LIABILITIES					
Shareholder's fund					
a) Equity Share Capital	364.03	36.40	36.40	36.40	42.78
b) Reserves and surplus	1,911.23	2,103.84	1,827.76	1,452.51	1,501.95
Total Shareholders Fund	2,275.26	2,140.24	1,864.16	1,488.91	1,544.73
Non-current liabilities					
a) Long term provisions	1,176.03	809.29	642.85	385.85	474.89
b) Deferred Tax Liability (Net)	149.90	143.33	138.73	130.03	118.09
Total	1,325.93	952.62	781.58	515.88	592.97
Current liabilities					
a) Short-term borrowings	97.13	771.79	502.27	231.04	201.06
b) Trade payables	342.89	69.07	568.11	505.71	271.34
c) Other current liabilities	15.10	14.57	12.79	12.20	11.42
d) Short-term provisions	21.19	17.62	13.98	7.95	6.23
Total	476.31	873.05	1,097.14	756.90	490.04
TOTAL	4,077.50	3,965.90	3,742.88	2,761.69	2,627.74
ASSETS					
Non - Current Assets					
a) Fixed Assets					
i.) Tangible assets	1,243.67	1,109.15	1,117.33	994.25	976.51
ii) Capital Work in progress	16.07	64.11	37.32	-	-
b) Non- Current investments	195.82	195.82	203.41	228.41	19.34
c) Long Term Loans & Advances	1,189.36	782.35	558.97	338.43	396.07
d) Other Non-Current Assets	-	-	0.16	0.33	0.49
Total	2,644.93	2,151.43	1,917.19	1,561.42	1,392.42
Current Assets					
a) Inventories	246.43	428.90	660.09	251.80	323.48
b) Trade Receivables	1,018.70	1,201.90	1,052.21	659.28	617.62
c) Cash and Cash equivalents	114.26	79.65	80.18	245.74	258.32
d) Short-term loans and advances	53.18	104.02	33.21	43.45	35.91
Total	1,432.57	1,814.47	1,825.69	1,200.27	1,235.32
TOTAL	4,077.50	3,965.90	3,742.88	2,761.69	2,627.74

Annexure II: STATEMENT OF STANDALONE PROFIT AND LOSS ACCOUNT, AS RESTATED
(₹ In lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
REVENUE:					
Revenue from Operations (Net)	5,209.94	5,903.79	4,250.98	3,399.45	3,267.67
Other Income	137.67	120.14	140.03	122.16	51.24
Total revenue	5,347.61	6,023.93	4,391.01	3,521.60	3,318.91
EXPENSES:					
Cost of materials consumed	2,351.97	3,745.21	2,729.54	1,948.44	1,791.77
Changes in inventories of finished goods , WIP and stock - in trade	159.78	(29.66)	(157.05)	74.62	8.92
Employee benefits expense	230.95	214.22	178.91	116.48	79.43
Finance cost	48.53	61.78	58.80	38.13	35.30
Depreciation and amortization expense	92.66	81.94	78.47	73.84	88.90
Other expenses	888.51	856.85	682.49	664.97	720.42
Total expenses	3,772.40	4,930.34	3,571.17	2,916.49	2,724.75
Net Profit / (Loss) before Tax	1,575.21	1,093.59	819.84	605.12	594.16
Less: Provision for Tax					
Current tax as per income tax	538.00	361.70	257.00	190.59	195.26
Deferred tax adjustment	6.57	4.60	8.70	11.94	7.13
Short/Excess Provision for Tax for earlier years	-	-	-	-	-
Total	544.57	366.30	265.70	202.53	202.39
Net Profit / (Loss) for the period after tax but before extra-ordinary items	1,030.64	727.29	554.13	402.58	391.78
Extraordinary Items	-	-	-	-	-
Net Profit / (Loss) for the period after tax and after extra ordinary items available for appropriation	1,030.64	727.29	554.13	402.58	391.78
Less : Dividend	728.06	364.03	152.89	152.89	106.96
Dividend Distribution Tax	148.22	72.79	25.98	24.80	17.35
Net Profit transferred to Reserves	154.36	290.48	375.25	224.89	267.47

Annexure III: STANDALONE CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit after Tax	1,030.64	727.29	554.13	402.58	391.78
Non cash items / items considered separately					
Provision for Tax	544.57	366.30	265.70	202.53	202.39
Finance Cost	48.53	61.78	58.80	38.13	35.30
Interest Income	(10.05)	(4.07)	(5.34)	(1.42)	(2.36)
Dividend Income	(24.09)	(12.34)	(10.63)	(7.63)	(1.30)
Preliminary Expenses Written Off	-	0.16	0.17	0.17	0.17
(Profit) / loss on Sale of Fixed Asset/Investments	-	(10.47)	(4.00)	-	(1.05)
Depreciation	92.66	81.94	78.47	73.84	88.90
Operating profits before working capital changes	1,682.26	1,210.59	937.31	708.22	713.82
Changes in Working Capital					
Trade Receivables	183.20	(149.69)	(392.92)	(41.66)	(198.74)
Short Term Loans & Advances	50.85	(70.81)	10.24	(7.54)	248.91
Inventories	182.48	231.18	(408.29)	71.68	(114.73)
Short term borrowings	(674.66)	269.52	271.23	29.98	108.76
Trade Payables	273.83	(499.04)	62.40	234.37	(124.36)
Short term provision	3.54	3.64	6.03	1.72	5.83
Other current liabilities	0.53	1.79	0.58	0.78	(1.98)
Cash generated from operations	1,702.03	997.17	486.57	997.55	637.51
Cash flow from before extraordinary items					
Taxes Paid	(595.67)	(416.48)	(220.78)	(215.22)	(382.41)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,106.36	580.69	265.80	782.33	255.10
CASH FLOW FROM INVESTING ACTIVITIES					
Interest Income	10.05	4.07	5.34	1.42	2.36
Dividend Income	24.09	12.34	10.63	7.63	1.30
Investments in Equity Instruments and debentures	-	19.88		(209.07)	-
Sale proceeds of Investment / Fixed Assets	-	1.00	29.00	-	5.50
Long Term Loans and Advances Given	(1.92)	(2.17)	0.24	(6.76)	0.05
Purchase of Fixed Assets/ Changes in Capital Work in Progress	(179.16)	(117.77)	(238.87)	(91.59)	(89.33)
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(146.94)	(82.65)	(193.67)	(298.37)	(80.12)
CASH FLOW FROM FINANCING ACTIVITIES					
Shares Bought Back	-	-	-	(280.70)	-
Finance Cost	(48.53)	(61.78)	(58.80)	(38.13)	(35.30)
Dividend paid (including dividend distribution tax)	(876.28)	(436.82)	(178.88)	(177.70)	(124.31)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(924.81)	(498.59)	(237.68)	(496.53)	(159.61)
NET INCREASE IN CASH AND CASH EQUIVALENTS	34.61	(0.54)	(165.56)	(12.58)	15.37
Cash & Cash Equivalent at the beginning of the year	79.65	80.18	245.74	258.32	242.94
Cash & Cash Equivalent at the end of the year	114.26	79.65	80.18	245.74	258.32
NET INCREASE IN CASH AND CASH EQUIVALENTS	34.61	(0.54)	(165.56)	(12.58)	15.37

THE OFFER

PRESENT OFFER IN TERMS OF THIS DRAFT PROSPECTUS

Equity Shares Offered⁽¹⁾: Present Offer of Equity Shares by our Company ⁽²⁾	Upto 9,64,800 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs.
Of which:	
Offer Reserved for the Market Makers	Upto 48,240 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs.
Net Offer to the Public⁽³⁾	Upto 9,16,560 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs.
Equity Shares outstanding prior to the Offer	36,40,320 Equity Shares.
Equity Shares outstanding after the Offer	36,40,320 Equity Shares.
Objects of the Offer	Please see the chapter titled “ <i>Objects of the Offer</i> ” beginning on page no. 53 of this Draft Prospectus

⁽¹⁾ This Offer is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled “Offer Related Information” beginning on page no. 174 of this Draft Prospectus.

⁽²⁾ The present Offer has been authorized pursuant to a resolution of our Board dated June 01, 2016 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on June 27, 2016.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated May 25, 2016, as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hemchand Gala	2,81,342
2	Mr. Sumeet Savla	2,36,737
3	Mrs. Meena Chheda	1,63,814
4	Mrs. Dhanvanti Gala	1,32,700
5	Mr. Vicky Gala	59,200
6	Dr. Manisha Gogri	36,403
7	Mrs. Aarti Gogri	27,302
8	Mr. Arvind Chheda	27,302
Total		9,64,800

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

⁽³⁾ Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

GENERAL INFORMATION

Our Company was incorporated as Valiant Organics Private Limited on February 16, 2005 under the Companies Act, 1956 bearing Registration No. 151348 and having its Registered Office in Mumbai, Maharashtra. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Valiant Organics Limited vide special resolution dated November 26, 2014. A fresh Certificate of Incorporation consequent upon change of name was issued on July 31, 2015 by the Registrar of Companies, Mumbai, Maharashtra.

For further details, please refer to the chapter titled “History and Certain Corporate Affairs” beginning on page no. 90 of this Draft Prospectus.

Brief Company and Offer Information

Registered Office & Corporate Office.	Address: 109, Udyog Kshetra, 1st Floor Mulund Goregaon Link Road, Mulund – West, Mumbai 400080 Tel No: +91 - 22 - 2591 3767 Fax No: +91 - 22 - 2591 3765 Email: investor@valiant.com Website: www.valiantorganics.com
Date of Incorporation	February 16, 2005
Company Registration No.	151348
Company Identification No.	U24230MH2005PLC151348
Address of Registrar of Companies	Address: 100, Everest, Marine Drive, Mumbai- 400002. Tel No.: +91 - 22 - 2281 2627/ 2202 0295 Fax No.: +91 - 22 - 2281 1977.
Designated Stock Exchange	SME Platform of BSE
Company Secretary & Compliance Officer	[•]

Board of Directors of our Company

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

Name	Designation	Director’s Identification No.
Mr. Hemchand Gala	Chairman & Managing Director	01587225
Mr. Arvind Chheda	Whole Time Director	00299741
Mr. Vishnu Sawant	Whole Time Director	03477593
Mr. Vicky Gala	Non Executive Director	05235515
Mr. Dhiraj Gala	Non Executive Independent Director	07552111
Mrs. Jeenal Savla	Non Executive Independent Director	07545244

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 93 of this Draft Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre or post-offer related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders/unblocking of funds. All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid/blocked on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

Details of Key Intermediaries pertaining to this Offer and Our Company

LEAD MANAGER



ARYAMAN FINANCIAL SERVICES LIMITED

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

REGISTRAR TO THE OFFER



BIGSHARE SERVICES PRIVATE LIMITED

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

LEGAL COUNSEL TO THE OFFER



M/S KANGA & COMPANY (ADVOCATES & SOLICITORS)

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

STATUTORY AUDITOR OF THE COMPANY

M/s Madan Dedhia & Associates, Chartered Accountants

204, Chheda Bhavan, 98, Surat Street
Masjid (East), Mumbai – 400 009
Tel No.: +91 - 22 – 2348 7222
Email id: camdassociate@gmail.com
Contact Person: Mr. Dhaval Karania

PEER REVIEW AUDITORS

V J Shah & Co, Chartered Accountants

401-406, 'K' Building, 24 Walchand Hirachand Marg,
Ballard Estate, CST, Mumbai - 400 001
Tel: +91- 22- 4096 6263
Fax: +91- 22- 2266 5955
Email id: vjshahco@gmail.com
Contact Person: Mr. Chintan Shah

BANKERS TO OUR COMPANY



Citibank N.A
FIFC, 9th Floor, Plot C – 54 & 55,
Bandra kurla Complex, Bandra(East),
Mumbai - 51
Tel No: +91- 22 – 61756187
Fax No.: +91 – 22 – 26532108
Website: www.citibank.co.in
Contact Person : Sanket Sawant
Email ID: Sanket.sawant@citi.com

BANKERS TO THE OFFER

[•](To be appointed later)

SELF CERTIFIED SYNDICATE BANKS

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

BROKERS TO THIS OFFER

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 as updated from time to time.

REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS

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

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

MONITORING AGENCY

Since this being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

IPO GRADING

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

TRUSTEES

This being an Offer of equity Shares, the appointment of trustees is not required.

DETAILS OF THE APPRAISING AUTHORITY

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

CREDIT RATING

This being an Offer for Sale of Equity Shares, no credit rating is required for the Offer.

EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Madan Dedhia & Associates, Chartered Accountants and from the Peer Review Auditor, M/s V.J. Shah & Co., Chartered Accountants to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 respectively in respect of the reports on the Statement of Tax Benefits dated June 27, 2016 and on the Restated Financial Statements dated June 27, 2016, issued by them respectively, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

OFFER PROGRAMME

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

Event	Indicative Date
Offer Opening Date	[•]
Offer Closing Date	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment/Refunds/Unblocking of Funds	[•]
Credit of Equity Shares to De-mat 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, the Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

Due to limitation of time available for uploading the Applications on the Offer Closing Date, the Applicants are advised to submit their Applications one day prior to the Offer Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Offer Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Offer Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Offer. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

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

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

UNDERWRITING

This Offer is 100% Underwritten. The Underwriting agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Draft Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being offered through this Offer:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lakhs)	% of the Total Offer Size Underwritten
Aryaman Financial Services Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Fax No.: +91 – 22 – 2263 0434 Email: ipo@afsl.co.in	Upto 9,16,560	[●]	95.00%
Aryaman Capital Markets Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Fax No.: +91 – 22 – 2263 0434 Email: aryacapm@gmail.com	Upto 48,240	[●]	5.00%
Total	Upto 9,64,800	[●]	100.00%

As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the LM has agreed to underwrite to a minimum extent of 15% of the Offer out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

MARKET MAKER



ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 6216 6999
Fax No.: +91 – 22 – 2263 0434
Email: aryacapm@gmail.com
Contact Person: Mr. Harshad Dhanawade
SEBI Registration No.: INB011465938
Market Maker Reg. No.: SMMM0651421122012

Details of the Market Making Arrangement for this Offer

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated [●] with Aryaman Capital Markets Ltd (“ACML”), a Market Maker registered with the SME Platform of BSE in order to fulfil the obligations of Market Making and ACML has given its consent for inclusion of its name in the Draft Prospectus as Market Maker.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares being offered for sale by the selling shareholders will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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

The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

9. **Risk containment measures and monitoring for Market Maker:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be

imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Offer Price
A	Authorised Share Capital		
	40,00,000 Equity Shares of face value of ₹ 10/- each	400.00	
B	Issued, Subscribed and Paid-up Share Capital before the Offer		
	36,40,320 Equity Shares of face value of ₹ 10/- each	364.03	[●]
C	Present Offer in terms of this Draft Prospectus⁽¹⁾		
	Offer for Sale (OFS) of upto 9,64,800 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share	96.48	[●]
	Which comprises:		
	Upto 48,240 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	4.82	[●]
	Net Offer to Public of Upto 9,16,560 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public	91.66	[●]
	Of which:		
	Upto 4,58,280 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	45.83	[●]
	Upto 4,58,280 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	45.83	[●]
D	Equity Share Capital after the Offer		
	36,40,320 Equity Shares of face value of ₹ 10/- each	364.03	
E	Securities Premium Account		
	Before the Offer (as on date of this Draft Prospectus)	Nil	
	After the Offer	Nil	

⁽¹⁾ The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated May 25, 2016, as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hemchand Gala	2,81,342
2	Mr. Sumeet Savla	2,36,737
3	Mrs. Meena Chheda	1,63,814
4	Mrs. Dhanvanti Gala	1,32,700
5	Mr. Vicky Gala	59,200
6	Dr. Manisha Gogri	36,403
7	Mrs. Aarti Gogri	27,302
8	Mr. Arvind Chheda	27,302
Total		9,64,800

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

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

Classes of Shares

As on date, the Company has only one class of share capital i.e. Equity Shares of ₹ 10/- each.

Changes in Authorized Share Capital

1. The Initial Authorised Share Capital of ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10 each was increased to ₹ 60,00,000 divided into 6,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on October 16, 2007.
2. The Authorised Share Capital of ₹ 60,00,000 divided into 6,00,000 Equity Shares of ₹ 10 each was further increased to ₹ 75,00,000 divided into 7,50,000 Equity Shares of ₹ 10 each, pursuant to the resolution of shareholders passed at EGM held on December 3, 2010.
3. The Authorised Share Capital of ₹ 75,00,000 divided into 7,50,000 Equity Shares of ₹ 10 each was further increased to ₹ 4,00,00,000 divided into 40,00,000 Equity Shares of ₹ 10 each, pursuant to the resolution of shareholders passed at EGM held on August 01, 2015.

Notes to the Capital Structure

1. Share Capital History of our Company:

a) Equity Share Capital

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

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue /Buy Back Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
March 01, 2005	10,000	10	10	Subscription to MoA	Cash	10,000	1,00,000	NIL
March 21, 2005	4,38,000	10	250	Further Allotment	Other than Cash ⁽¹⁾	4,48,000	44,80,000	10,51,20,000
November 07, 2007 ⁽²⁾	89,600	10	NIL	Bonus Allotment	Other than Cash	5,37,600	53,76,000	10,42,24,000
December 15, 2007 ⁽³⁾	(59,136)	10	280	Buy Back	-	4,78,464	47,84,640	8,82,57,280
November 21, 2008 ⁽⁴⁾	47,846	10	NIL	Bonus Allotment	Other than Cash	5,26,310	52,63,100	8,82,57,280
January 22, 2009 ⁽⁵⁾	(1,02,630)	10	291	Buy Back	-	4,23,680	42,36,800	5,94,18,250
January 04, 2010 ⁽⁶⁾	1,69,472	10	NIL	Bonus Allotment	Other than Cash	5,93,152	59,31,520	5,88,62,730
February 23, 2010 ⁽⁷⁾	(1,22,008)	10	330	Buy Back	-	4,71,144	47,11,440	1,98,20,170
January 11, 2011 ⁽⁸⁾	47,114	10	NIL	Bonus Allotment	Other than Cash	5,18,258	51,82,580	1,98,20,170
March 25, 2011 ⁽⁹⁾	(90,430)	10	372	Buy Back	-	4,27,828	42,78,280	NIL
April 26, 2012 ⁽¹⁰⁾	(63,796)	10	440	Buy Back	-	3,64,032	36,40,320	NIL
August 05, 2015 ⁽¹¹⁾	32,76,288	10	NIL	Bonus Allotment	Other than Cash	36,40,320	3,64,03,200	NIL

(1) Share issued in consideration for acquisition of running business. For further details please refer the chapter 'History and Certain Corporate Matters on page no. 90 of this Draft Prospectus.

(2) Pursuant to EGM held on October 16, 2007, our Company has issued 89,600 Bonus Shares in the ratio of 1:5 i.e. 1 equity share allotted for every 5 equity share held to the shareholders, by transferring a sum of ₹ 8,96,000 from Profit and Loss Account for the Issue of Equity Shares.

- (3) *Buy back of 59,136 Equity Shares by our Company at a price of ₹ 280 per Equity Share from: (i) Mr. Hemchand Gala (5,533 Equity Shares); (ii) Mr. Arvind Chheda (7,392 Equity Shares); (iii) Mrs. Aarti Gogri (7,688 Equity Shares); (iv) Dr. Manisha Gogri (10,053 Equity Shares); (v) Mrs. Meena Chheda (7,392 Equity Shares); and (vi) Mrs. Bhanumati Savla (5782 Equity Share); (vii) Mrs. Dhanvati Gala (3,469 Equity Shares); (viii) Mr. Vicky Gala (5,782 Equity Share); (ix) Mr. Sumeet Savla (6045 Equity Shares), as authorised at EGM at our shareholders through a resolution dated November 16, 2007 by way of paid-up Share Capital and the Share premium account/free reserves of the Company.*
- (4) *Pursuant to EGM held on November 21, 2008, our Company has issued 47,846 Bonus Shares in the ratio of 1:10 i.e. 1 equity share allotted for every 10 equity share held to the shareholders, by way of transferring a sum of ₹ 4,78,460 from Company's Capital Redemption Reserve for the Issue of Equity Shares.*
- (5) *Buy back of 1,02,630 Equity Shares by our Company at a price of ₹ 291 per Equity Share from: (i) Mr. Hemchand Gala (9,603 Equity Shares); (ii) Mr. Arvind Chheda (12,829 Equity Shares); (iii) Mrs. Aarti Gogri (13,342 Equity Shares); (iv) Dr. Manisha Gogri (17,447 Equity Shares); (v) Mrs. Meena Chheda (12,829 Equity Shares); (vi) Mrs. Bhanumati Savla (10,034 Equity Share); (vii) Mrs. Dhanvati Gala (6020 Equity Shares); (viii) Mr. Vicky Gala (10,034 Equity Share); and (ix) Mr. Sumeet Savla (10,492 Equity Shares), as authorised at EGM of our shareholders through a resolution dated December 26, 2008 by way of paid-up Share Capital and the Share premium account/free reserves of the Company.*
- (6) *Pursuant to EGM held on January 04, 2010, our Company has issued 1,69,472 Bonus Shares in the ratio of 2:5 i.e. 2 equity share allotted for every 5 equity share held to the shareholders, by way of capitalizing a sum of ₹ 16,94,720 from Capital redemption Account and Profit & Loss Account/Free Reserves.*
- (7) *Buy back of 1,22,008 Equity Shares by our Company at a price of ₹ 330 per Equity Share from: (i) Mr. Hemchand Gala (11,417 Equity Shares); (ii) Mr. Arvind Chheda (15,251 Equity Shares); (iii) Mrs. Aarti Gogri (15,861 Equity Shares); (iv) Dr. Manisha Gogri (20,741 Equity Shares); (v) Mrs. Meena Chheda (15,251 Equity Shares); (vi) Mrs. Bhanumati Savla (11,929 Equity Share); (vii) Mrs. Dhanvati Gala (7,157 Equity Shares); (viii) Mr. Vicky Gala (11,928 Equity Share); and (ix) Mr. Sumeet Savla (12,473 Equity Shares), as authorised at EGM by shareholders through a resolution dated January 27, 2010 by way of paid-up Share Capital and free reserves of the Company, and the Share premium account/free reserves of the Company .*
- (8) *Pursuant to EGM held on January 05, 2011, our Company has issued 47,114 Bonus Shares in the ratio of 1:10 i.e. 1 equity share allotted for every 10 equity share held to the shareholders, by way of capitalization a sum of ₹ 4,71,140 of Capital Redemption Reserve.*
- (9) *Buy back of 90,430 Equity Shares by our Company at a price of ₹ 372 per Equity Share from: (i) Mr. Hemchand Gala (8,464 Equity Shares); (ii) Mr. Arvind Chheda (11,303 Equity Shares); (iii) Mrs. Aarti Gogri (11,756 Equity Shares); (iv) Dr. Manisha Gogri (15,373 Equity Shares); (v) Mrs. Meena Chheda (11,303 Equity Shares); (vi) Mrs. Bhanumati Savla (8,840 Equity Share); (vii) Mrs. Dhanvati Gala (5,305 Equity Shares); (viii) Mr. Vicky Gala (8,841 Equity Share); and (ix) Mr. Sumeet Savla (9,245 Equity Shares), as authorised at EGM of our shareholders through a resolution dated February 15, 2011 by way of paid-up Share Capital and free reserves of the Company, and the Share premium account/free reserves of the Company .*
- (10) *Buy back of 63,796 Equity Shares by our Company at a price of ₹ 440 per Equity Share from: (i) Mr. Hemchand Gala (4,403 Equity Shares); (ii) Mr. Arvind Chheda (7,975 Equity Shares); (iii) Mrs. Aarti Gogri (8,293 Equity Shares); (iv) Dr. Manisha Gogri (10,846 Equity Shares); (v) Mrs. Meena Chheda (7,975 Equity Shares); (vi) Mrs. Bhanumati Savla (7,215 Equity Share); (vii) Mrs. Dhanvati Gala (4,329 Equity Shares); (viii) Mr. Vicky Gala (7,215 Equity Share); and (ix) Mr. Sumeet Savla (5,545 Equity Shares), as authorised at EGM of our shareholders through a resolution dated March 26, 2012 by way of paid-up Share Capital and free reserves of the Company, and the Share premium account/free reserves of the Company .*
- (11) *Pursuant to EGM held on August 01, 2015, our Company has issued 32,76,288 Bonus Shares in the ratio of 9:1 i.e. 9 equity share allotted for every 1 equity share held to the shareholders, by a sum of ₹ 3,27,62,880 has been drawn out from free reserve, securities premium account or other such accounts permissible for such purpose.*

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

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Allotted Person	Benefits Accrued to the Company
November 07, 2007	89,600	10	NIL	Bonus Allotment	Allotted to all the Shareholders of the Company as on the date of allotment	Increased Share Capital
November 21, 2008	47,846	10	NIL	Bonus Allotment	Allotted to all the Shareholders of the Company as on the date of allotment	Increased Share Capital
January 04, 2010	1,69,472	10	NIL	Bonus Allotment	Allotted to all the Shareholders of the Company as on the date of allotment	Increased Share Capital
January 11, 2011	47,114	10	NIL	Bonus Allotment	Allotted to all the Shareholders of the Company as on the date of allotment	Increased Share Capital
August 05, 2015	32,76,288	10	NIL	Bonus Allotment	Allotted to all the Shareholders of the Company as on the date of allotment	Increased Share Capital

- c) No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.
- d) No Bonus Shares have been issued out of Revaluation Reserve.
- e) No shares have been issued at a price lower than the Offer Price within the last one year from the date of the Draft Prospectus expect as mentioned under.

Date of Allotment	Name of the Allottees	Number of Shares	Issue Price (₹)	Reasons	Promoter / Promoter Group
August 05, 2015	Dr. Manisha Gogri	5,56,974	Nil	Bonus Allotment	Yes
	Mrs. Aarti Gogri	4,25,916			Yes
	Mrs. Meena Chheda	4,09,536			No
	Mr. Arvind Chheda	4,09,536			Yes
	Mr. Sumeet Savla	3,43,746			No
	Mr. Hemchand Gala	3,20,643			Yes
	Mrs. Bhanumati Savla	3,11,517			No
	Mr. Vicky Gala	3,11,517			Yes
	Mrs. Dhanvanti Gala	1,86,903			Yes

f) History & Share Capital Build-up of our Promoters

As on the date of this Draft Prospectus, our Promoters holds 22,49,540 Equity Shares, constituting 61.80% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoter's shareholding is set out below:

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

Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

Mr. Hemchand Gala									
Date of Transaction	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Transfer/Buy Back Price Per Share (₹)	Cumulative no. of Shares	% of Pre- Offer Paid Up Capital	% of Post-Issue Paid Up Capital	Lock – in Period
March	Subscription	Cash	3,400	10	10	3,400	0.09%	-	NA

Mr. Hemchand Gala									
Date of Transaction	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Transfer/Buy Back Price Per Share(₹)	Cumulative no. of Shares	% of Pre- Offer Paid Up Capital	% of Post- Issue Paid Up Capital	Lock – in Period
01, 2005	to MoA								
March 15, 2005	Transfer	Cash	(900)	10	10	2,500	0.06%	-	NA
March 21, 2005	Further Allotment	Cash	39,420	10	250	41,920	1.15%	-	NA
November 07, 2007	Bonus Allotment	Other than cash	8,384	10	NIL	50,304	1.38%	-	NA
December 15, 2007	Buy Back	Cash	(5,533)	10	280	44,771	1.23%	-	NA
November 21, 2008	Bonus Allotment	Other than Cash	4,477	10	NIL	49,248	1.35%	-	NA
January 22, 2009	Buy Back	Cash	(9,603)	10	291	39,645	1.08%	-	NA
January 04, 2010	Bonus Allotment	Other than Cash	15,858	10	NIL	55,503	1.52%	-	NA
February 23, 2010	Buy Back	Cash	(11,417)	10	330	44,086	1.21%	-	NA
January 11, 2011	Bonus Allotment	Other than Cash	4,408	10	NIL	48,494	1.33%	-	NA
March 25, 2011	Buy Back	Cash	(8,464)	10	372	40,030	1.09%	-	NA
April 26, 2012	Buy Back	Cash	(4,403)	10	440	35,627	0.98%	-	NA
August 05, 2015	Bonus Allotment	Other than Cash	2,45,715	10	NIL	3,56,270 ⁽¹⁾	9.79%	2.06 % ⁽¹⁾	NA
			74,928 ⁽²⁾						3 Years ⁽²⁾

⁽¹⁾ Out of total holding of Mr. Hemchand Gala, shares aggregating to 3,56,270 Equity Shares, upto 2,81,342 Equity Shares are offered for sale through this Draft Prospectus. Hence the remainder amount of shares have been considered for calculating his percentage of post offer paid up capital.

⁽²⁾ Upto 74,928 Equity Shares of Mr. Hemchand Gala have been earmarked for lock-in for a period of three years. However, the actual number of shares locked-in is liable to change after finalisation of the lot size, subject to minimum 20% of total lock-in as mandated by Regulation 32 of the SEBI (ICDR) Regulations, 2009 as amended.

Mr. Arvind Chheda									
Date of Transaction	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Transfer/Buy Back Price Per Share(₹)	Cumulative no. of Shares	% of Pre- Offer Paid Up Capital	% of Post- Issue Paid Up Capital	Lock – in Period
March 01, 2005	Subscription to MoA	Cash	3,300	10	10	3,300	0.09%	-	NA
March 15, 2005	Transfer	Cash	(2,050)	10	10	1,250	0.03%	-	NA
March 21, 2005	Further Allotment	Cash	54,750	10	250	56,000	1.54%	-	NA
November 07, 2007	Bonus Allotment	Other than cash	11,200	10	NIL	67,200	1.85%	-	NA
December 15,	Buy Back	Cash	(7,392)	10	280	59,808	1.64%	-	NA

Mr. Arvind Chheda									
Date of Transaction	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Transfer/Buy Back Price Per Share(₹)	Cumulative no. of Shares	% of Pre- Offer Paid Up Capital	% of Post- Issue Paid Up Capital	Lock – in Period
2007									
November 21, 2008	Bonus Allotment	Other than Cash	5,981	10	NIL	65,789	1.81%	-	NA
January 22, 2009	Buy Back	Cash	(12,829)	10	291	52,960	1.45%	-	NA
January 04, 2010	Bonus Allotment	Other than Cash	8,871	10	NIL	74,144	2.04%	-	NA
			12,313						3 Years ⁽²⁾
February 23, 2010	Buy Back	Cash	(15,251)	10	330	58,893	1.62%	-	NA
January 11, 2011	Bonus Allotment	Other than Cash	5,889	10	NIL	64,782	1.78%	-	3 Years ⁽²⁾
March 25, 2011	Buy Back	Cash	(11,303)	10	372	53,479	1.47%	-	NA
April 26, 2012	Buy Back	Cash	(7,975)	10	440	45,504	1.25%	-	NA
August 05, 2015	Bonus Allotment	Other than Cash	1,71,052	10	NIL	4,55,040 ⁽¹⁾	12.50%	11.75% ⁽¹⁾	3 Year ⁽²⁾
			2,38,484						1 Year

⁽¹⁾ Out of total holding of Mr. Arvind Chheda, shares aggregating to 4,55,040 Equity Shares 27,302 Equity Shares are offered for sale through this Draft Prospectus. Hence the remainder amount of shares have been considered for calculating his percentage of post offer paid up capital.

⁽²⁾ Upto 1,89,254 Equity Shares of Mr. Arvind Chheda have been earmarked for lock-in for a period of three years. However, the actual number of shares locked-in is liable to change after finalisation of the lot size, subject to minimum 20% of total lock-in as mandated by Regulation 32 of the SEBI (ICDR) Regulations, 2009 as amended.

Mr. Vicky Gala									
Date of Transaction	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Transfer/Buy Back Price Per Share(₹)	Cumulative no. of Shares	% of Pre- Offer Paid Up Capital	% of Post- Issue Paid Up Capital	Lock – in Period
March 21, 2005	Further Allotment	Cash	43,800	10	250	43,800	1.20%	-	NA
November 07, 2007	Bonus Allotment	Other than cash	8,760	10	NIL	52,560	1.44%	-	NA
December 15, 2007	Buy Back	Cash	(5,782)	10	280	46,778	1.28%	-	NA
November 21, 2008	Bonus Allotment	Other than Cash	4,678	10	NIL	51,456	1.41%	-	NA
January 22, 2009	Buy Back	Cash	(10,034)	10	291	41,422	1.13%	-	NA
January 04, 2010	Bonus Allotment	Other than Cash	16,569	10	NIL	57,991	1.59%	-	NA
February 23, 2010	Buy Back	Cash	(11,928)	10	330	46,063	1.27%	-	NA
January 11, 2011	Bonus Allotment	Other than Cash	4,606	10	NIL	50,669	1.39%	-	NA
March 25, 2011	Buy Back	Cash	(8,841)	10	372	41,828	1.15%	-	NA

Mr. Vicky Gala									
Date of Transaction	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Transfer/Buy Back Price Per Share (₹)	Cumulative no. of Shares	% of Pre- Offer Paid Up Capital	% of Post- Issue Paid Up Capital	Lock – in Period
April 26, 2012	Buy Back	Cash	(7,215)	10	440	34,613	0.95%	-	NA
August 05, 2015	Bonus Allotment	Other than Cash	24,587	10	NIL	3,46,130 ⁽¹⁾	9.50%	5.18%	NA
			2,86,930						1 Year

⁽¹⁾ Out of total holding of Mr. Vicky Gala, shares aggregating to 3,46,130 Equity Shares 59,200 Equity Shares are offered for sale through this Draft Prospectus.

Mrs. Aarti Gogri									
Date of Transaction	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Transfer/Buy Back Price Per Share (₹)	Cumulative no. of Shares	% of Pre- Offer Paid Up Capital	% of Post- Issue Paid Up Capital	Lock – in Period
March 15, 2005	Transfer	Cash	1,300	10	10	1300	0.04%	-	NA
March 21, 2005	Further Allotment	Cash	56,940	10	250	58,240	1.60%	-	NA
November 07, 2007	Bonus Allotment	Other than cash	11,648	10	NIL	69,888	1.92%	-	NA
December 15, 2007	Buy Back	Cash	(7,688)	10	280	62,200	1.71%	-	NA
November 21, 2008	Bonus Allotment	Other than Cash	6,220	10	NIL	68,420	1.88%	-	NA
January 22, 2009	Buy Back	Cash	(13,342)	10	291	55,078	1.51%	-	NA
January 04, 2010	Bonus Allotment	Other than Cash	8,134	10	NIL	77,109	2.12%	-	NA
			13,897						3 Years ⁽²⁾
February 23, 2010	Buy Back	Cash	(15,861)	10	330	61,248	1.68%	-	NA
January 11, 2011	Bonus Allotment	Other than Cash	6,125	10	NIL	67,373	1.85%	-	3 Years ⁽²⁾
March 25, 2011	Buy Back	Cash	(11,756)	10	372	54,317	1.49%	-	NA
April 26, 2012	Buy Back	Cash	(8,293)	10	440	46,024	1.26%	-	NA
August 05, 2015	Bonus Allotment	Other than Cash	1,77,285	10	NIL	4,73,240 ⁽¹⁾	13.00%	12.25% ⁽¹⁾	3 Years ⁽²⁾
			2,48,631						1 Year

⁽¹⁾ Out of total holding of Mrs. Aarti Gogri, shares aggregating to 4,73,240 Equity Shares 27,302 Equity Shares are offered for sale through this Draft Prospectus. Hence the remainder amount of shares have been considered for calculating her percentage of post offer paid up capital.

⁽²⁾ Upto 1,97,307 Equity Shares of Mrs. Aarti Gogri have been earmarked for lock-in for a period of three years. However, the actual number of shares locked-in is liable to change after finalisation of the lot size, subject to minimum 20% of total lock-in as mandated by Regulation 32 of the SEBI (ICDR) Regulations, 2009 as amended.

Dr. Manisha Gogri									
Date of Transaction	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/Transfer/Buy Back Price Per Share(₹)	Cumulative no. of Shares	% of Pre- Offer Paid Up Capital	% of Post- Issue Paid Up Capital	Lock – in Period
March 15, 2005	Transfer	Cash	1,700	10	10	1,700	0.05%	-	NA
March 21, 2005	Further Allotment	Cash	74,460	10	250	76,160	2.09%	-	NA
November 07, 2007	Bonus Allotment	Other than cash	15,232	10	NIL	91,392	2.51%	-	NA
December 15, 2007	Buy Back	Cash	(10,053)	10	280	81,339	2.23%	-	NA
November 21, 2008	Bonus Allotment	Other than Cash	8,134	10	NIL	89,473	2.46%	-	NA
January 22, 2009	Buy Back	Cash	(17,447)	10	291	72,026	1.98%	-	NA
January 04, 2010	Bonus Allotment	Other than Cash	11,337	10	NIL	1,00,836	2.77%	-	NA
			17,473						3 Years ⁽²⁾
February 23, 2010	Buy Back	Cash	(20,741)	10	330	80,095	2.20%	-	NA
January 11, 2011	Bonus Allotment	Other than Cash	8,010	10	NIL	88,105	2.42%	-	3 Years ⁽²⁾
March 25, 2011	Buy Back	Cash	(15,373)	10	372	72,732	2.00%	-	NA
April 26, 2012	Buy Back	Cash	(10,846)	10	440	61,886	1.70%	-	NA
August 05, 2015	Bonus Allotment	Other than Cash	2,45,028	10	NIL	6,18,860 ⁽¹⁾	17.00%	16.00%	3 Years ⁽²⁾
			3,11,946						1 Year

⁽¹⁾ Out of total holding of Dr. Manisha Gogri, shares aggregating to 6,18,860 Equity Shares 36,403 Equity Shares are offered for sale through this Draft Prospectus.

⁽²⁾ Upto 2,70,511 Equity Shares of Dr. Manisha Gogri have been earmarked for lock-in for a period of three years. However, the actual number of shares locked-in is liable to change after finalisation of the lot size, subject to minimum 20% of total lock-in as mandated by Regulation 32 of the SEBI (ICDR) Regulations, 2009 as amended.

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
 - The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares offered through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" on page no. 38 of this Draft Prospectus.
 - Our Promoters have confirmed to the Company and the LM that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
 - All the shares held by our Promoters were fully paid-up on the respective dates of acquisition of such shares.
- g) None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus.
- h) None of the members of the Promoter Group / Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

2. Promoters Contribution and other Lock-In details:

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

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20.11% of the Post-Offer Equity Share Capital held by our Promoters shall be considered as promoter's contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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

Name of Promoters	No. of Shares locked in	As a % of Post Offer Share Capital
Mr. Hemchand Gala	Upto 35,826	0.98%
Mr. Arvind Chheda	Upto 2,04,501	5.62%
Mrs. Aarti Gogri	Upto 2,13,203	5.86%
Dr. Manisha Gogri	Upto 2,78,473	7.65%
Total	Upto 7,32,000	20.11%

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

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

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

We further confirm that our Promoters' Contribution does not include any contribution from Alternative Investment Funds.

ii. Details of Shares locked-in for one year

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

d. Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

3. Pre-Offer and Post Offer Shareholding of our Promoters and Promoter's Group

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

Sr. No.	Name of Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity
A	Promoters				
1	Mr. Hemchand Gala	3,56,270	9.79%	74,928	2.06%
2	Mr. Arvind Chheda	4,55,040	12.50%	4,27,738	11.75%
3	Mrs. Aarti Gogri	4,73,240	13.00%	4,45,938	12.25%
4	Dr. Manisha Gogri	6,18,860	17.00%	5,82,457	16.00%
5	Mr. Vicky Gala	3,46,130	9.51%	2,86,930	7.88%
	Total (A)	22,49,540	61.80%	18,17,991	49.94%
B	Promoter Group & Relatives				
1	Mrs. Dhanvanti Gala	2,07,670	5.70%	74,970	2.06%
	Total (B)	2,07,670	5.70%	74,970	2.06%
Grand Total (A+B)		24,57,210	67.50%	18,92,961	52.00%
Total Paid up Capital		3,64,03,200	100.00%	3,64,03,200	100.00%

4. Details of Offer for Sale

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

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hemchand Gala	2,81,342
2	Mr. Sumeet Savla	2,36,737
3	Mrs. Meena Chheda	1,63,814
4	Mrs. Dhanvanti Gala	1,32,700
5	Mr. Vicky Gala	59,200
6	Dr. Manisha Gogri	36,403
7	Mrs. Aarti Gogri	27,302
8	Mr. Arvind Chheda	27,302
Total		9,64,800

Set forth below are the details of the build-up of Equity Shares offered for the Offer for Sale by the respective Selling Shareholders, except our Promoters. For details of built-up of our Promoters, please refer point 1 (f) under the section Notes to Capital Structure on page no. 39 of this Draft Prospectus:

Mr. Sumeet Savla					
Date of Allotment	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/ Transfer/ Buy Back Price(₹)
August 13, 2008	Transferred	Cash	45,800	10	10
November 07, 2007	Bonus Allotment	Other than cash	9,160	10	NIL
December 15, 2007	Buy Back	Cash	(6,045)	10	280
November 21, 2008	Bonus Allotment	Other than Cash	4,891	10	NIL
January 22, 2009	Buy Back	Cash	(10,492)	10	291
January 04, 2010	Bonus Allotment	Other than Cash	17,326	10	NIL
February 23, 2010	Buy Back	Cash	(12,473)	10	330
January 11, 2011	Bonus Allotment	Other than Cash	4,817	10	NIL

March 25, 2011	Buy Back	Cash	(9,245)	10	372
April 26, 2012	Buy Back	Cash	(5,545)	10	440
August 05, 2015	Bonus Allotment	Other than Cash	3,43,746 ⁽¹⁾	10	NIL

⁽¹⁾ Out of total holding of Mr. Sumeet Savla, shares aggregating to 3,81,940 Equity Shares 2,36,736 Equity Shares are offered for sale through this Draft Prospectus.

Mrs. Meena Chheda					
Date of Allotment	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/ Transfer/ Buy Back Price(₹)
March 15, 2005	Transferred	Cash	1,250	10	10
March 21, 2005	Further Allotment	Cash	54,750	10	250
November 07, 2007	Bonus Allotment	Other than cash	11,200	10	NIL
December 15, 2007	Buy Back	Cash	(7,392)	10	280
November 21, 2008	Bonus Allotment	Other than Cash	5,981	10	NIL
January 22, 2009	Buy Back	Cash	(12,829)	10	291
January 04, 2010	Bonus Allotment	Other than Cash	21,184	10	NIL
February 23, 2010	Buy Back	Cash	(15,251)	10	330
January 11, 2011	Bonus Allotment	Other than Cash	5,889	10	NIL
March 25, 2011	Buy Back	Cash	(11,303)	10	372
April 26, 2012	Buy Back	Cash	(7,975)	10	440
August 05, 2015	Bonus Allotment	Other than Cash	4,09,536 ⁽¹⁾	10	NIL

⁽¹⁾ Out of total holding of Mrs. Meena Chheda, shares aggregating to 4,55,040 Equity Shares 1,63,814 Equity Shares are offered for sale through this Draft Prospectus.

Mrs. Dhanvanti Gala					
Date of Allotment	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue/ Transfer/ Buy Back Price(₹)
March 21, 2005	Allotment	Cash	26,280	10	250
November 07, 2007	Bonus Allotment	Other than cash	5,256	10	NIL
December 15, 2007	Buy Back	Cash	(3,469)	10	280
November 21, 2008	Bonus Allotment	Other than Cash	2,806	10	NIL
January 22, 2009	Buy Back	Cash	(6,020)	10	291
January 04, 2010	Bonus Allotment	Other than Cash	9,941	10	NIL
February 23, 2010	Buy Back	Cash	(7,157)	10	330
January 11, 2011	Bonus Allotment	Other than Cash	2,764	10	NIL
March 25, 2011	Buy Back	Cash	(5,305)	10	372
April 26, 2012	Buy Back	Cash	(4,329)	10	440
August 05, 2015	Bonus Allotment	Other than Cash	1,86,903 ⁽¹⁾	10	NIL

⁽¹⁾ Out of total holding of Mrs. Dhanvati Gala, shares aggregating to 2,07,670 Equity Shares 1,32,700 Equity Shares are offered for sale through this Draft Prospectus.

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

- There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- All successful Applicants shall be issued fully paid up shares only. Also, as on the date of this Draft Prospectus the entire pre-offer share capital of the Company has been made fully paid up.
- Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "Offer Procedure" beginning on page no. 202 of this Draft Prospectus.

8. The top ten shareholders of our Company and their Shareholding is as set forth below:

a. As on the date of this Draft Prospectus:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Offer Share Capital
1	Dr. Manisha Gogri	6,18,860	17.00%
2	Mrs. Aarti Gogri	4,73,240	13.00%
3	Mr. Arvind Chheda	4,55,040	12.50%
4	Mrs. Meena Chheda	4,55,040	12.50%
5	Mr. Sumeet Savla	3,81,940	10.49%
6	Mr. Hemchand Gala	3,56,270	9.79%
7	Mr. Vicky Gala	3,46,130	9.51%
8	Mrs. Bhanumati Savla	3,46,130	9.51%
9	Mrs. Dhanvanti Gala	2,07,670	5.70%
Total		36,40,320	100.00%

b. Ten days prior to date of this Draft Prospectus:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Offer Share Capital
1	Dr. Manisha Gogri	6,18,860	17.00%
2	Mrs. Aarti Gogri	4,73,240	13.00%
3	Mr. Arvind Chheda	4,55,040	12.50%
4	Mrs. Meena Chheda	4,55,040	12.50%
5	Mr. Sumeet Savla	3,81,940	10.49%
6	Mr. Hemchand Gala	3,56,270	9.79%
7	Mr. Vicky Gala	3,46,130	9.51%
8	Mrs. Bhanumati Savla	3,46,130	9.51%
9	Mrs. Dhanvanti Gala	2,07,670	5.70%
Total		36,40,320	100.00%

c. Two years prior to date of this Draft Prospectus:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Offer Share Capital
1	Dr. Manisha Gogri	61,886	17.00%
2	Mrs. Aarti Gogri	47,324	13.00%
3	Mr. Arvind Chheda	45,504	12.50%
4	Mrs. Meena Chheda	45,504	12.50%
5	Mr. Sumeet Savla	38,194	10.49%
6	Mr. Hemchand Gala	35,627	9.79%
7	Mr. Vicky Gala	34,613	9.51%
8	Mrs. Bhanumati Savla	34,613	9.51%
9	Mrs. Dhanvanti Gala	20,767	5.70%
Total		3,64,032	100.00%

9. Neither our Company, Our Promoters, Directors nor the Lead Manager have entered into any buyback, safety net and/or standby arrangements for purchase of Equity Shares of the Company from any person.
11. Applicants may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “Offer Procedure” beginning on page no. 202 of this Draft Prospectus
12. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled “Our Management” beginning on page no. 93 of this Draft Prospectus.
13. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines

14. An Applicant cannot make a application for more than the number of Equity Shares offered in this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
15. Our Promoters, Promoter Group and Group Companies will not participate in the Offer.
16. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Offer except as disclosed in this Draft Prospectus.
17. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
18. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
19. As of the date of this Draft Prospectus, the total number of Shareholders of the Equity Shares is 9.
20. Our Company has not made any public offer or rights offer since its incorporation.
21. As on date of the Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
22. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Offer, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.

23. Shareholding Pattern of the Company

The table below presents the shareholding pattern of our Company of the Equity Shares before the proposed Offer and as adjusted for the Offer:

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a% of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a %of(A+B+C)			No (a)	As a %of total shar es held (b)	No (a)	As a % of total shares held (b)	
								Class- Equity	Class	Total								
(A)	Promoters & Promoter Group	6	24,57,210	-	-	24,57,210	67.50%	24,57,210		24,57,210	67.50%	-	67.50%	-	-	-	-	
(B)	Public	3	11,83,110	-	-	11,83,110	32.50%	11,83,110		11,83,110	32.50%	-	32.50%	-	-	-	-	-
(C)	Non Promoter Non Public	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
	Total	9	36,40,320	-	-	36,40,320	100.00%	36,40,320		36,40,320	100.00%	-	100.00%	-	-	-	-	

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

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Offer Share Capital
1	Mrs. Meena Chheda	4,55,040	12.50%
2	Mr. Sumeet Savla	3,81,940	10.49%
3	Mrs. Bhanumati Savla	3,46,130	9.51%
Total		11,83,110	32.50%

SECTION – IV - PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and to carry out the Offer for Sale. We believe that the listing of the Equity Shares will enhance our brand name and provide liquidity to the existing shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer and all proceeds from the Offer shall go to the Selling Shareholders.

Offer Related Expenses

The total estimated Offer Expenses are ₹. [●] lakhs, which is [●] % of the total Offer Size. The details of the Offer Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹. in lakhs)	% of Total Expenses	% of Total Offer Size
1	Offer Management fees including payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. ⁽¹⁾	[●]	[●]	[●]
2	Brokerage and selling commission ⁽²⁾⁽³⁾	[●]	[●]	[●]
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
4	Advertisement and Marketing Expenses	[●]	[●]	[●]
5	Stock Exchange Fees, Regulatory and other Expenses ⁽¹⁾	[●]	[●]	[●]
	Total	[●]	[●]	[●]

⁽¹⁾ Except for the Listing Fees, the Market Making Fees & Regulatory expenses, which will be borne by our Company, all other expenses relating to the Offer as mentioned above will be borne by the Selling Shareholder in proportion to the Equity Shares contributed to the Offer. The Offer expenses are estimated expenses and subject to change.

⁽²⁾ The SCSBs would be entitled to processing fees of ₹ 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.

Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.03% on the Allotment Amount or ₹ 150/- whichever is less on the Applications wherein shares are allotted. Amount allotted is the product of the number of Equity Shares allotted and the Issue Price.

⁽³⁾ The payment towards commission and processing fees shall be payable within 30 days from the date of receipt of final invoices of the respective intermediaries.

Monitoring of Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

BASIC TERMS OF OFFER

Terms of the Offer

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

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

Approval for the Offer

The present Offer has been authorized pursuant to a resolution of our Board dated June 01, 2016 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on June 27, 2016.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated May 25, 2016, as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hemchand Gala	2,81,342
2	Mr. Sumeet Savla	2,36,737
3	Mrs. Meena Chheda	1,63,814
4	Mrs. Dhanvanti Gala	1,32,700
5	Mr. Vicky Gala	59,200
6	Dr. Manisha Gogri	36,403
7	Mrs. Aarti Gogri	27,302
8	Mr. Arvind Chheda	27,302
Total		9,64,800

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

Other Details

Face Value	The Equity Shares having a face value of ₹ 10 each are being offered in terms of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
Offer Price	The Equity Shares pursuant to this Draft Prospectus are being offered at a price of ₹ [●] each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Terms of Payment	Applications should be for a minimum of [●] equity shares and [●] equity shares thereafter. The entire price of the equity shares of ₹ [●] per share (₹ 10 face value + ₹ [●] premium) is payable on application. In case of allotment of lesser number of equity shares than the number applied, the excess amount paid/ blocked on application shall be refunded / unblocked by us to the applicants.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari-passu</i> in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if

	any, declared by us after the date of Allotment.
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Minimum Subscription

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

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

BASIS FOR OFFER PRICE

The Offer Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Offer Price is ₹ [●] per Equity Shares and is [●] times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 9, 113 and 72 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

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

- ✓ Unique Product Portfolio
- ✓ Experienced management and a well-trained employee base
- ✓ Fully Integrated Manufacturing Facility
- ✓ Existing well established goodwill and client relationships

For further details regarding some of the qualitative factors, which form the basis for computing the Offer Price, please see “Our Business”– Our Strengths” on page no. 72 of this Draft Prospectus.

Quantitative Factors

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

1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted EPS (in ₹)	Weight
2016	28.31	3
2015	19.97	2
2014	15.21	1
Weighted Average	23.35	

Notes:

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

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/(loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

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

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/(loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

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

2) Price Earnings Ratio (P/E) in relation to the Offer price of ₹ [●] per share of ₹10 each

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

Industry P/E*	
Highest – Linde India	150.01
Lowest – Kilburn Chemical	5.7
Industry Average	29.8

*Source: Capital Market, Vol. XXXI/10, July 04 – 17, 2016; Segment: Chemicals

3) Return on Net Worth (RoNW)

Year ended March 31	RoNW (%)	Weight
2016	45.30%	3
2015	34.01%	2
2014	29.75%	1
Weighted Average	38.95%	

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

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

4) Minimum Return on increased Net Worth (RoNW) after Offer needed to maintain the pre-Offer basic & diluted EPS for the FY 2015-16

There will be no change in the Net Worth post-Offer as the Offer is by way of Offer for Sale by the Selling Shareholders.

5) Net Asset Value (NAV)

Financial Year	NAV (in ₹)
NAV as at March 31, 2016	62.50
NAV after Issue	62.50
Offer Price	[●]

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

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year/period}}$$

6) Comparison with Industry peers

Particulars	F.Y. 2014-15					Source
	Face Value (₹)	Basic EPS (₹)	P/E Ratio*	RONW (%)	NAV (₹)	
Jayant Agro Organics Ltd.	5	16.19	20.19	9.94	172.99	Annual Report for FY 16, BSE India Website
Atul Ltd	10	90.8	14.04	21.12	431.40	Annual Report for FY 16, BSE India Website
Clariant Chemicals Ltd	10	20.86	34.27	8.37	273.60	Annual Report for FY 16, BSE India

						Website
Sharda Cropchem Ltd.	10	19.39	19.15	21.58	89.88	Annual Report for FY 16, BSE India Website
Valiant Organics Limited	10	28.31	[●]	45.30	62.50	Restated Financials

**The P/E Ratios are based on closing prices of each of these companies as on July 25, 2016.*

- 7) The Company in consultation with the Lead Manager believes that the Offer price of ₹ [●] per share for the Public Offer is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Offer Price is [●] times of the face value i.e. ₹ [●] per share.

STATEMENT OF TAX BENEFIT

To,
The Board of Directors,
Valiant Organics Limited
Mumbai, Maharashtra

Dear Sirs,

Subject: Statement of Possible Special Tax Benefits available to Valiant Organics Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009 as amended (the ‘Regulations’)

We hereby report that the enclosed annexure prepared by Valiant Organics Ltd, states the possible special tax benefits available to Valiant Organics Limited (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Offer”) by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **M/s. Madan Dedhia & Associates,**
Chartered Accountants
Firm Registration No. 113095W

Dhaval Karania
Partner
Membership No. 151890
Place: Mumbai
Date: June 27, 2016

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

NIL

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

NIL

Note:

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

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement

SECTION –V – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

GLOBAL ECONOMIC OVERVIEW

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.

The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility.

One tail risk scenario that India must plan for is a major currency re-adjustment in Asia in the wake of a similar adjustment in China; as such an event would spread deflation around the world. Another tail risk scenario could unfold as a consequence of policy actions—say, capital controls taken to respond to curb outflows from large emerging market countries, which would further moderate the growth impulses emanating from them.

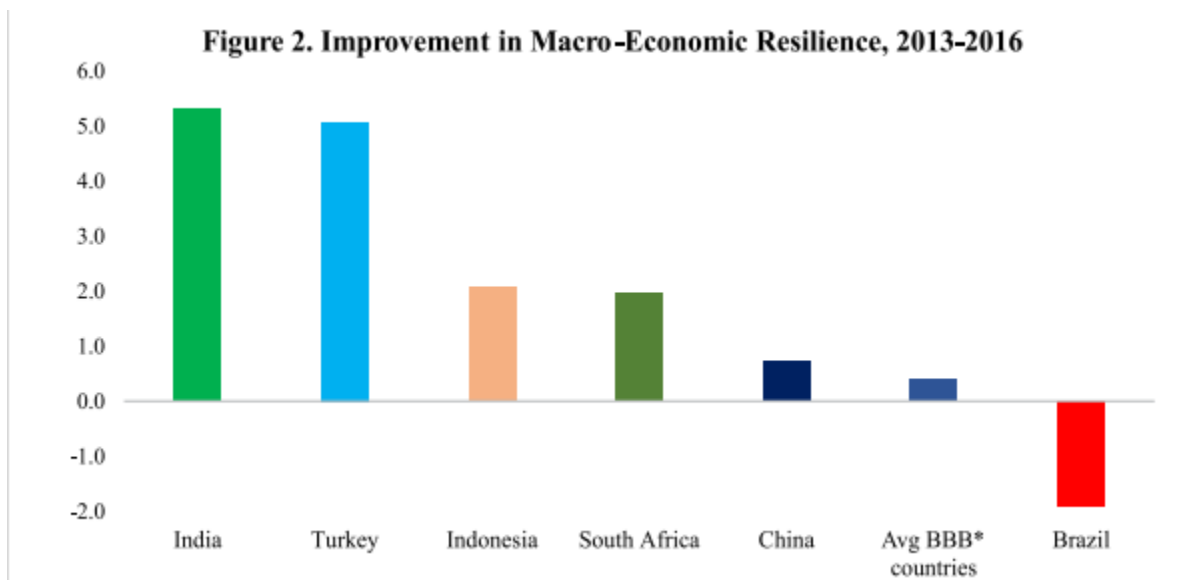
1.26 In either case, foreign demand is likely to be weak, forcing India—in the short run— to find and activate domestic sources of demand to prevent the growth momentum from weakening. At the very least, a tail risk event would require Indian monetary and fiscal policy not to add to the deflationary impulses from abroad. The consolation would be that weaker oil and commodity prices would help keep inflation and the twin deficits in check.

(Source: Economic Survey 2015-16- Volume-I; www.indianbudget.nic.in)

THE INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. A sense of this turnaround is illustrated by a cross-country comparison. In last year's Survey, we had constructed an overall index of macroeconomic vulnerability, which adds a country's fiscal deficit, current account deficit, and inflation. This index showed that in 2012 India was the most vulnerable of the major emerging market countries. Subsequently, India has made the most dramatic strides in reducing its macro-vulnerability. Since 2013, its index has improved by 5.3 percentage points compared with 0.7 percentage point for China, 0.4 percentage point for all countries in India's investment grade (BBB), and a deterioration of 1.9 percentage points in the case of Brazil. If macro-economic stability is one key element of assessing a country's attractiveness to investors, its growth rate is another. In last year's Survey we had constructed a simple Rational Investor Ratings Index (RIRI) which combined two elements, growth serving as a gauge for rewards and the macro-economic vulnerability index proxying for risks. The RIRI is depicted in higher levels indicate better performance. As can be seen, India performs well not only in terms of the change of the index but also in terms of the level, which compares favorably to its peers in the BBB investment grade and even its "betters" in the A grade. As an investment proposition, India stands out internationally.

Figure 2. Improvement in Macro-Economic Resilience, 2013-2016



Source: IMF WEO, October 2015 and January 2016 update

MAJOR DEVELOPMENTS

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16. According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16. In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 7^{3/4} percent.

- The fiscal sector registered three striking successes: ongoing fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16. According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16. In nominal terms, construction is expected to stagnate, while even the dynamic sectors (see Box 1.4 for one such example) of trade and finance are projected to grow by only 7 to 7^{3/4} percent.
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$21.9 billion in April-December 2014-15 to US\$27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to

December 2015-16 recorded a growth of 90.5 per cent and stood at ₹ 1.3 lakh crore as against ₹ 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs). Table 1 shows that tax buoyancy of direct and indirect taxes improved in 2015-16 vis-à-vis the average of the last three years, although more so for indirect taxes.

(Source: Economic Survey 2015-16- Volume-II; www.indianbudget.nic.in)

INDUSTRIAL PERFORMANCE

Growth in industry is estimated to have accelerated during the current year on the strength of improving manufacturing activity. The private corporate sector, with an around 69 per cent share of the manufacturing sector, is estimated, from available data of listed companies, to grow by 9.9 per cent at current prices in April December 2015-16.

The Index of Industrial Production (IIP) showed that manufacturing production grew by 3.1 per cent during April December 2015-16, vis-à-vis a growth of 1.8 per cent in the corresponding period of the previous year. The ongoing manufacturing recovery in the current year is aided by robust growth in petroleum refining, automobiles, wearing apparels, chemicals, electrical machinery and wood products and furniture.

Apart from manufacturing, the other three segments of the industry sector, i.e. electricity, gas, water supply and related utilities, mining and quarrying and construction activities, are witnessing a deceleration in growth. More than half of the Indian economy is the services sector. Being the main driver of the economy, the sector contributed about 69 per cent of the total growth during 2011- 12 to 2015-16; in the process expanding its share in the economy by 4 percentage points from 49 to 53 per cent

One of the major services, domestic trade, is a highly disaggregated sector with a substantial informal sector presence in numerical terms. As per the NSSO (National Sample Survey Office) Survey on Unincorporated Non-agricultural Enterprises (excluding construction) in India, out of the estimated universe of 5.8 crore such enterprises in 2010-11, 2.1 crore were involved in trading activities. It is noteworthy that the trade and repair services contributed almost as much to GVA as the crop sector in 2014-15.

The eight core infrastructure-supportive industries--coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity--that have a total weight of nearly 38 per cent in the IIP registered a cumulative growth of 1.9 per cent during April-December 2015-16 as compared to 5.7 per cent during April-December, 2014- 15. Month-wise performance of eight core sectors shows that the production of coal and fertilizer increased substantially, while that of crude oil, natural gas and steel mostly declined. Refinery products, cement and electricity attained moderate growth.

The eight core infrastructure-supportive industries--coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity--that have a total weight of nearly 38 per cent in the IIP registered a cumulative growth of 1.9 per cent during April-December 2015-16 as compared to 5.7 per cent during April-December, 2014- 15. Month-wise performance of eight core sectors shows that the production of coal and fertilizer increased substantially, while that of crude oil, natural gas and steel mostly declined. Refinery products, cement and electricity attained moderate growth.

(Source: Economic Survey 2015-16- Volume-II; www.indianbudget.nic.in)

OUTLOOK FOR GROWTH

Real GDP growth for 2015-16 is expected to be in the 7 to 7^{3/4} range, reflecting various and largely offsetting developments on the demand and supply sides of the Indian economy. Before analyzing these factors, however, it is important to step back and note one important point. India's long-run potential GDP growth is substantial, about 8-10 percent. But its actual growth in the short run will also depend upon global growth and demand. After all, India's exports of manufactured goods and services now constitute about 18 percent of GDP, up from about 11 percent a decade ago. Reflecting India's growing globalization, the correlation between India's growth rate and that of the world has risen sharply to reasonably high levels.

For the period 1991- 2002 this correlation was 0.2. Since then, the correlation has doubled to 0.42. In other words, a 1 percentage point decrease in the world growth rate is now associated with a 0.42 percentage point decrease in Indian growth rates. Accordingly, if the world economy remains weak, India's growth will face considerable headwinds. For example, if the world continues to grow at close to 3 percent over the next few years rather than returning to the buoyant 4-4½ per cent recorded during 2003-2011.

India's medium-term growth trajectory could well remain closer to 7-7½ per cent, notwithstanding the government's reform initiatives, rather than rise to the 8-10 per cent that its long-run potential suggests. In other words, in the current global environment, there needs to be a recalibration of growth expectations and consequently of the standards of assessment. To measure the demand for India's exports, we calculate a proxy-weighted average GDP growth rate of India's export partners. The weights are the shares of partner countries in India's exports of goods and services.

Current projections by the IMF indicate that trading partner growth this demand will improve marginally this year to about 2.8 percent. But the considerable downside risks suggest that it would be prudent not to count on a big contribution to GDP growth from improving export performance.

Outlook for the upcoming Period i.e 2016-17.

- I. On the domestic side, two factors could boost consumption. If and to the extent that the Seventh Pay Commission (7th PC) is implemented, increased spending from higher wages and allowances of government workers will start flowing through the economy. If, in addition, the monsoon returns to normal, agricultural incomes will improve, with attendant gains for rural consumption, which over the past two years of weak rains has remained depressed.
- II. Against this, the disappearance of much of last year's oil windfall would work to reduce consumption growth. Current prospects suggest that oil prices (Indian crude basket) might average US\$ 35 per barrel next fiscal year compared with US\$ 45 per barrel in 2015-16. The resulting income gain would amount roughly equivalent to 1 percentage point of GDP – an 18 per cent price decline times a share of net oil imports in GDP of 6 percent. But this would be half the size of last year's gain, so consumption growth would slow on this account next year
- III. According to analysis done by Credit Suisse, (non-financial) corporate sector profitability has remained weak, falling by 1 percent in the year to December 2015.² This decline reflected a sharp deterioration in the financial health of the metals—primarily steel—companies, which have now joined the ranks of companies under severe financial stress. As a result, the proportion of corporate debt owed by stressed companies, defined as those whose earnings are insufficient to cover their interest obligations, has increased to 41 percent in December 2015, compared to 35 percent in December 2014.³ In response to this stress, companies have once again been compelled to curb their capital expenditures substantially
- IV. Finally, the path for fiscal consolidation will determine the demand for domestic output from government. The magnitude of the drag on demand and output will be largely equal to the size of consolidation, assuming a multiplier of about 1.
(*Economic Survey Volume I, 2015-16*, www.indiabudget.nic.in)

INDIA'S ROLE IN WORLD'D ECONOMIC GROWTH

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend in growth rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014.

During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when India's contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India’s contribution has become much more valuable to the global economy.

India’s share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008- 13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India’s resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth. (*Economic Survey Volume II, 2015-16, www.indiabudget.nic.in*)

GLOBAL TRENDS IN CHEMICAL SALES

The global chemicals industry has grown steadily over the past several decades. Chemical industry data cited by OECD indicate that global chemical industry output was valued at US\$ 171 billion in 1970.¹¹ In 2010, industry sources valued global output at US\$ 4.12 trillion.¹² These figures are not adjusted to account for inflation or price changes, so they do not represent the real growth of the industry.

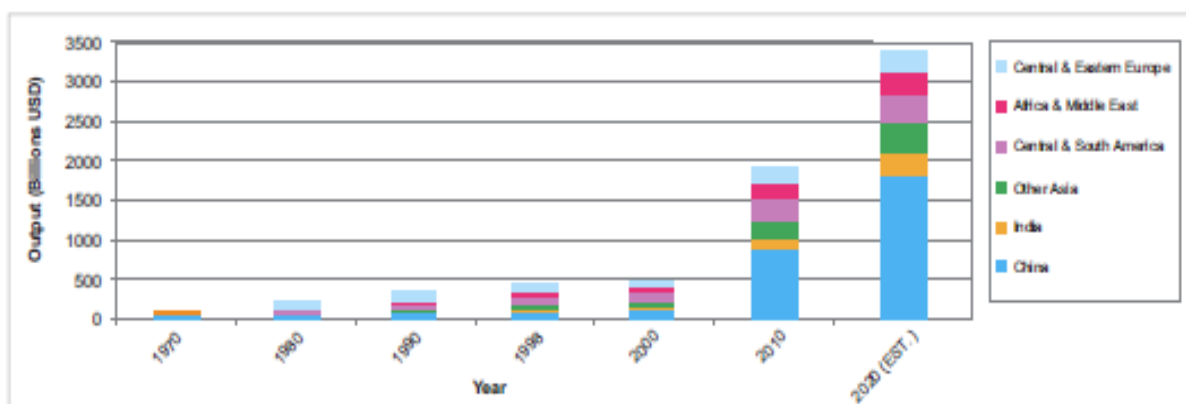
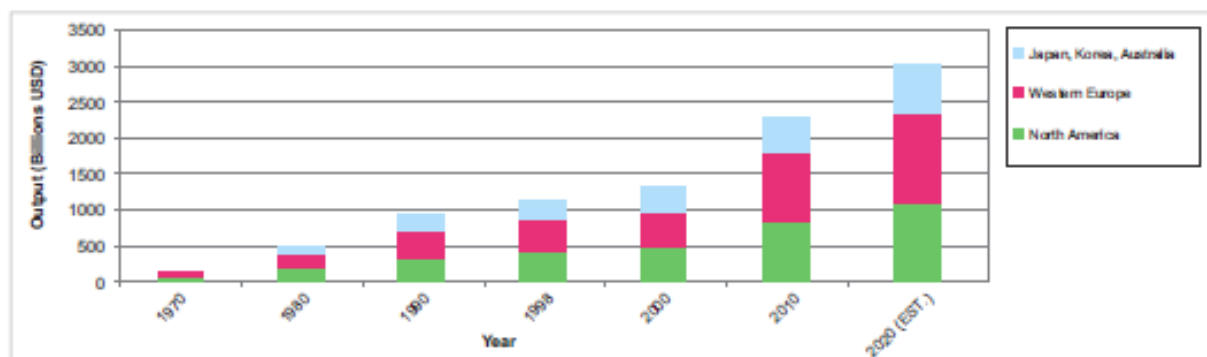
In real terms, information on growth is available through production indices calculated by the industry. In the decade 2000 to 2010, the Global Chemical Production Regional Index calculated by the American Chemistry Council shows that total production increased 54 per cent.¹³ Certain countries experienced particularly rapid growth; for example, in China, production nearly tripled over that time period.¹⁴ In 2010, China was the largest chemical producing country, with sales of US\$ 754 billion.

The OECD countries as a group size account for the bulk of world chemical products on, but developing countries and countries with economies in transition are increasingly significant.¹⁶ An analysis by OECD notes that while annual global chemical sales doubled over the period 2000 to 2009, OECD’s share decreased from 77 to 63 per cent and the share of the BRIICS countries (Brazil, Russia, India, Indonesia, China and South Africa) increased from 13 to 28 per cent.

Countries that accounted for a minimal percentage of global production 40 years ago have grown to become major producers. According to an analysis by the European Chemical Industry Council (CEFIC), over the period 2000 to 2010, the share of the EU chemical industry went from 29.2 per cent of total global sales to just 20.9 per cent of the total.

During this same time period, China’s share rose from 6.4 to 24.4 per cent. The share of other Asian countries and of Latin America also rose. These figures are all based on dollar values, not chemical production volume. Africa’s contribution to global chemical production is small, but the chemicals sector is expected to play an increasingly important role in the economies of specific African countries. For example, although small relative to the primary chemical producing nations, South Africa’s chemical industry is the largest in Africa, contributing about 5 per cent of GDP and employing approximately 150,000 people.¹⁹ Annual production of primary and secondary process chemicals is on the order of 13 million metric tonnes, with a value of approximately US\$ 3 million.²⁰ In Northern Africa, there are strong chemicals industries in Algeria, Egypt, Libya, Morocco and Tunisia, while in West Africa, Nigeria is the primary producer and user of chemicals. Currently, petrochemical commodities, polymers and fertilizers are the main chemical products of African countries. However, greater investment in oil and gas in a number of African countries suggests increasing capacity to support production of a range of chemical products, including pharmaceuticals and specialty chemicals.

Earlier analyses emphasized a trend in which production of bulk chemicals was shifting to developing and transition economies, while OECD countries continued to lead in the higher-value chemicals such as specialty and life sciences chemicals. However, OECD’s most recent analysis notes that some countries with economies in transition are moving increasingly into the markets for specialty and fine chemicals. In particular, OECD notes that companies in China, India, and the Middle East are investing in production of specialty and fine chemicals. Because these sectors are characterized by rapid innovation, this suggests that increasing numbers of new chemicals may be developed in developing and transition countries.



(Source: Global Chemicals Outlook Report, www.unep.org)

Global Forecasts for the Chemical Industry: Looking Forward to 2020

In its 2001 report, *OECD Environmental Outlook for the Chemicals Industry*, OECD presented forecasts for the global chemicals industry, looking forward to 2020, using a base year of 1995. OECD projected that the share of global chemical production and consumption located in developing countries would increase. OECD noted that production of high volume basic chemicals, in particular, was expected to shift away from OECD countries. Based on its models and data available from industry sources at the time, OECD projected that by 2020, developing countries would be home to 31 per cent of global chemical production, and 33 per cent of global chemical consumption. In developing its projections, OECD assumed that the chemicals industry would grow approximately in tandem with world GDP, while population would grow more slowly, meaning that global chemical production per capita would increase.

Table 1. Chemical Production: Predicted Growth, 2012-2020		
	Per cent change, 2012-2020	
North America	25%	
United States		25%
Canada		27%
Mexico		28%
Latin America	33%	
Brazil		35%
Other		31%
Western Europe	24%	
Emerging Europe	35%	
Russia		34%
Other		36%
Africa & Middle East	40%	
Asia-Pacific	46%	
Japan		22%
China		66%
India		59%
Australia		23%
Republic of Korea		35%
Singapore		35%
Other		44%

Source: Per centages calculated based on projections for the regions and for selected countries. Swift, Thomas Kevin et al. (June 2011). "Mid-Year 2011 Situation & Outlook", American Chemistry Council.

OECD's most recent outlook, projecting trends to 2050, predicts that the global chemical sales will grow about 3 per cent per year to 2050, with growth rates for the BRIICS countries more than double those of the OECD countries. OECD predicts that chemical production in the rest of the world will grow even faster than BRIICS countries in the period 2010 to 2050, although total volumes produced will be lower.

Recent forecasts developed by the American Chemistry Council (ACC) also predict significant growth in chemical production in developing countries in the period to 2021, and more modest growth in developed countries. Consistent with trends seen over the past decade, China is expected to have the highest annual growth rates in chemical production. China's chemical production is expected to exceed 10 per cent per year until 2015, and to drop just 10 per cent per year in the years 2016-2021. Rapid growth is expected in India as well, with predicted annual growth above 9 per cent per year in the period 2012 to 2014, and above 8 per cent per year in the period 2015 to 2021.

Annual growth rates for Africa and the Middle East are predicted to be just over 6 per cent per year through 2013, and over 5 per cent per year from 2014 to 2021.

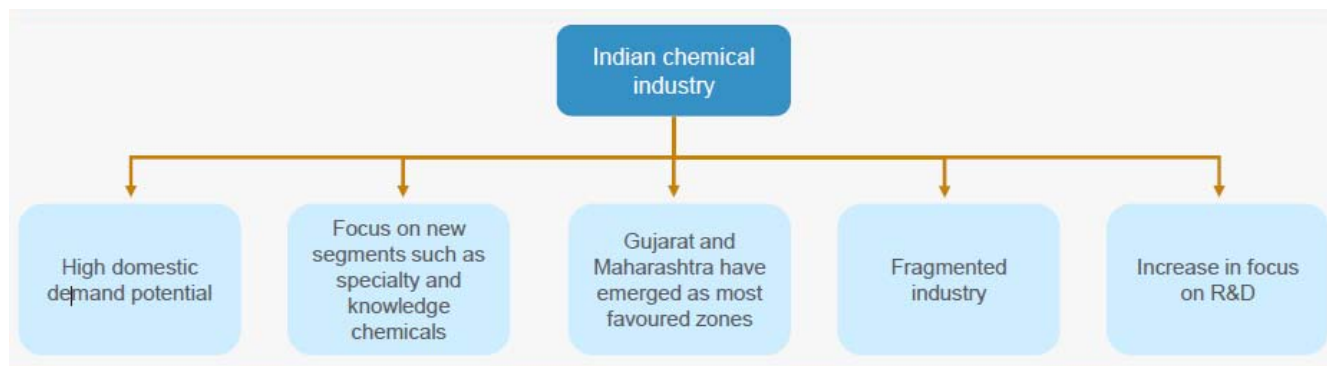
In contrast, the predicted annual growth rates for chemical production in developed countries are below 4 per cent for the entire period, and below 3 per cent per year for the years 2013 to 2021. Growth in the period 2013 to 2021 is expected to be below 3 per cent per year in the United States and below 4 per cent per year in Canada. Growth in Western Europe, similarly, is expected to be below 3 per cent per year for this period.

(Source: *Global Chemicals Outlook Report*, www.unep.org)

CHARACTERISTICS OF THE INDIAN CHEMICAL INDUSTRY

- As on 2015, the National Chemical Policy of India which is expected to help in improving the chemical industry is in final stages and as a part of this, the Government is planning to launch Indian Bureau of Corrosion Control and setting up National Chemical Centre that could prevent losses from corrosion and act as a repository information center for the chemical industry
- Strong economic growth and rise in per-capita income has meant a steady increase in demand fchemicals
- Expected to clock a growth of 10-13 per cent over the coming years

- The industry has left behind a low-growth and regulated environment to emerge more mature
- There is strong government support towards R&D; this would benefit the sector
- In 2015, Department of Chemicals and Petrochemicals added three new chemical and petrochemical products under its supervision.



(Source: <http://www.ibef.org/download/Chemicals-January-2016.pdf>)

Key Trends & Developments in Indian Chemical Industry

Indian Chemical players have been focusing on sustainable development. Water, environmental impact, raw materials, safety over lifecycle and energy use is some of the issues grappling the industry. Indian chemical companies are largely investing in innovative solutions to find appropriate answers to these challenges. Some of the successful examples from the industry are as follows:

- Kanoria Chemicals & Industries Limited (KCI) launched a “waste to wealth” program at its Ankleshwar plant with the objective of recovery of recyclable water from distillery effluents. KCI went for reverse osmosis technology to achieve maximum recycle and minimum possible disposal.
- The Arulapuram common effluent treatment plant in Tirupur adopted a technology to recycle more than 98% of water and reuse of more than 90% of the salt by implementing an effluent treatment plant consisting of a pre-treatment system followed by water recovery system using reverse osmosis.
- Bristol-Myers Squibb went for integrating the pervaporation technology with constant volume distillation operation. With the integrated approach Bristol Myers achieved 56% reduction in THF (100% reduction in entrainer) and 93% reduction in wastes generated

Apart from investing in innovative solutions, companies have also made major investments in the upcoming PCPI OPaL has committed an investment of USD 3.2 Bn for 1.1 MMTPA multi feed petrochemical cracker and USD 560 Mn for C2 / C3 extraction unit at Dahej PCPIR. Other chemical units who have invested in PCPIR are Reliance Petrochemicals Complex, Gujarat Alkalies and Chemicals Limited (GACL), BASF, Birla Copper, Gujarat Chemical Port Terminal Company Limited (GCPTCL), Petronet LNG and Welspun. As of Jan 2013, a total of USD 21 Bn has been committed for investment.

Chemical industry is also offering new products according to the changing requirements of the market. The industry has developed microbial de-colorization and degradation procedures for textiles and begun exploring bio-diversity for natural dyes and developing eco-friendly methodology for synthetic dyes. Hindustan Petroleum Corporation Ltd (HPCL), a public sector refiner, has stated its intent to bring to market green lubricants developed from renewable feedstock. DuPont, as part of its R&D strategy, has set up a knowledge centre in India focusing on areas like green technologies for refinery processes. Tata Chemicals has established an Innovation centre to focus on green technologies in emerging areas such as nano-technology, fermentation and bio-fuels.

As per reports, the chemical industry will foresee the following trends:

- Western companies would look to expand presence in ASIA as Asian markets emerge as a major consumption hub

- Commodity chemical companies will look for entry into Specialty Chemicals for Growth and profitability. M&A would be the preferred route for Cash Rich global companies to expand in Specialty Chemicals in Asia
- After EU, REACH like regulations is expected to come up in other nations e.g. China, US. This will increase cost of production and may make certain companies uncompetitive
- With Availability of Shale Gas as cheaper feedstock, US could become major processing hub. ASIAN producers will have to look at innovative ways e.g. alternate sources of feedstock, right product mix to remain competitive
- Petrochemicals industry would face reduced margins due to oversupply in the global petrochemicals market. Between 2012 and 2016 ethylene capacity additions is expected to grow by 25 million tonnes. Major capacity build up is happening in USA, Middle East and China. Global capacity utilization levels are observed to be at all time lows of 80% in 2011. This may continue till the global demand picks up.
- With increasing availability of natural gas and new gas finds, the dependency on naphtha as major feedstock for petrochemicals complexes would go down. In Middle East, substantial capacity additions will be based on ethane as a feedstock.

GROWTH, COMPETITIVENESS AND PROCESS INITIATIVES

- The government has announced a number of measures to improve competitiveness in the sector
- Share of manufacturing approved by the Cabinet as per the erstwhile Planning Commission would contribute 25% of the GDP by 2025
- Approval is granted for FDI up to 100 per cent in the chemicals sector, excise duty reduced from 14 per cent to 10 per cent, strong laws on anti-dumping to further promote the industry
- Cumulative FDI inflows into chemical industry reached USD10,588 million during April 2000-June 2015
- Policies that have been initiated to set up integrated Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) is likely to be revised by the end of 2015- 2016. The land requirement for a PCPIR would go down from 250 square kilometres to 50 square kilometres
- Kerala, Karnataka and Maharashtra are new applicants for PCPIR
- New initiatives are likely to attract large investments, both domestic and foreign, with requisite improvements in infrastructure and competition.

(Source: <http://www.ibef.org/download/Chemicals-January-2016.pdf>)

Government Policies and FDI Investments

Government recognizes Chemical industry as a key growth element of Indian economy. In Chemical Sector, 100% FDI is permissible. Manufacture of most of chemical products is delicensed. The entrepreneurs need to submit only IEM with the DIPP provided no locational angle is involved. Only the following items are covered in the compulsory licensing list because of their hazardous nature.

- Hydrocyanic acid & its derivatives
- Phosgene & its derivatives
- Isocyanates & di-isocyanates of hydrocarbons

A number of initiatives have been proposed in the 12th 5-year plan (2012-2017) to boost the growth of Indian Chemical industry. Few highlights are:

- Investment policies: Target to increase the share of manufacturing in GDP to at least 25% by 2025 (from current 16%). Investments in manufacturing in the chemical sector are absolutely essential to ensure growth of the Indian chemical industry.
- Government's proposal to set up of a technology up-gradation fund of ~USD 80 Mn in the 12th plan for chemicals.
- Proposal to establish an autonomous USD 100 Mn chemical innovation fund by securing 10% of the total inclusive national innovation fund set up by the National Innovation Council to encourage commercialization efforts for innovations generating inclusive growth

Other initiatives:

- Government readiness to provide incentives for bio-based raw materials to reduce dependence on crude oil, encourage companies to seek "Responsible Care Certification" and facilitate priority loans to those who meet environment norms
- Government's plan to expedite the consolidation of multiple legislations governing the chemical industry into one Integrated Chemical Legislation. This legislation should cover the entire life cycle of chemicals. This will act as REACH like legislation for safe use of chemicals for protection of human health & environment
- Chemical industry could be granted tax and duty reductions for specific identified products such as import duty reduction on inputs like coal, furnace oil, naphtha, etc., inclusion of a wider range of inputs under CENVAT credit and encouraging companies to set up captive power plants. Policies have been initiated to set up integrated petroleum, chemicals and petrochemicals investment regions (PCPIRs). PCPIR will be an investment region spread across 250 square kilometres for manufacturing of domestic and export related products. Simplified procedures for FDIs as most of the chemical sector products fall under the automatic approval route for FDI/NRI investment upto 100%. Chemical industry had to face the brunt of global slowdown in past 2-3 years. Global economic uncertainty along with recent regulatory issues has resulted in low FDI inflows to the country. FDI in Chemical industry dropped from USD 749 Mn in FY09 to USD 362 Mn in FY10. However, FDI inflow picked up in FY11 reaching USD 2,345 Mn and USD 4,041 Mn in FY12. Indian Chemical industry also managed to lead industrial IIP in FY13. As per CSO sources, Chemicals IIP for FY13 stood at 3.1% while the overall IIP was 0.8%.

(Source: http://ficci.in/sector/7/project_docs/chemical-petrochemical-sector.pdf)

The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the gross domestic product (GDP). In terms of volume of production, Indian chemical industry is the third largest producer in Asia and sixth largest in the world.

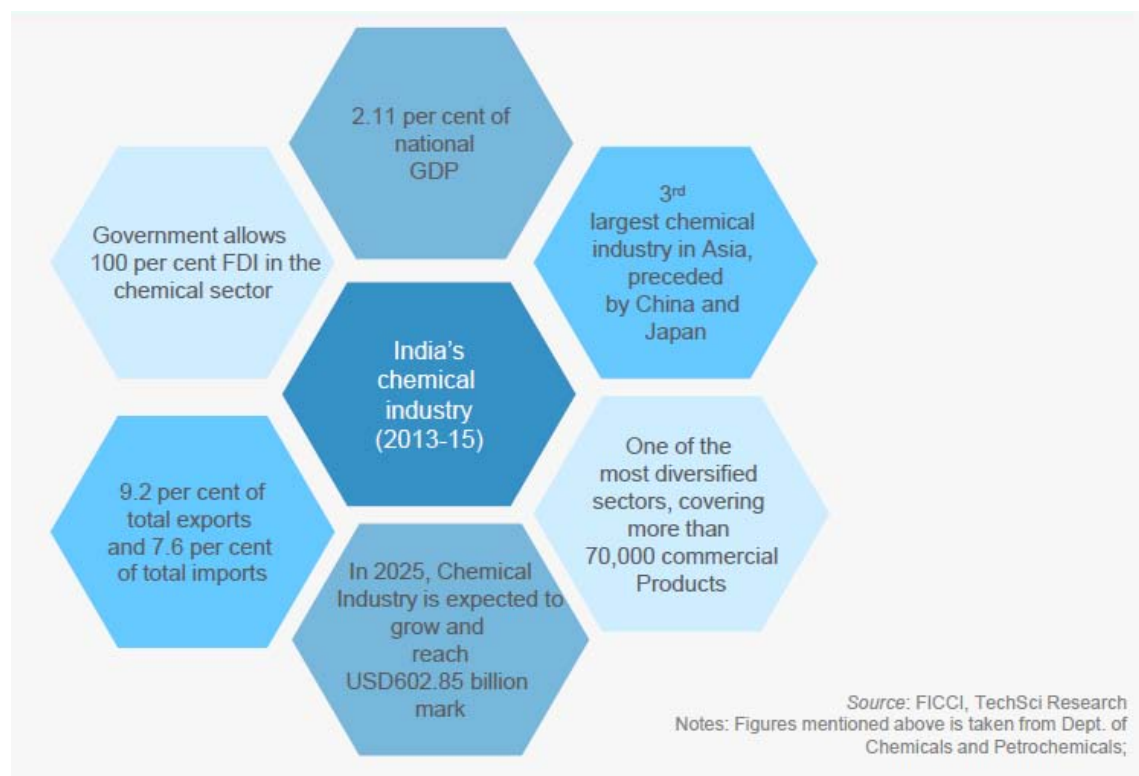
Indian chemical industry generated business worth US\$ 118 billion in 2014. Bulk chemicals account for 39 per cent of the Indian chemical industry, followed by agrochemicals (20.3 per cent) and specialty chemicals (19.5 per cent). Pharmaceuticals and biotechnology accounted for the remaining share.

India's growing per capita consumption and demand for agriculture-related chemicals offers huge scope of growth for the sector in the future. Lured by the size and returns of the Indian market, foreign firms have strengthened their presence in India. From April 2000 to May 2015, total foreign direct investment (FDI) inflows into the Indian chemicals industry (excluding fertilizers) were US\$ 10.49 billion.

The Government of India has been supportive to the sector. 100 per cent FDI is permissible in the Indian chemicals sector while manufacturing of most chemical products is de-licensed. The government has also been encouraging Research and Development (R&D) in the sector. Moreover, the government is continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby facilitating greater investment in technology up-gradation and modernisation.

The Government has launched the Draft National Chemical Policy, which aims to increase chemical sector's share in country's GDP.

CHEMICAL INDUSTRY HOLDS A SIGNIFICANT POSITION IN THE ECONOMY



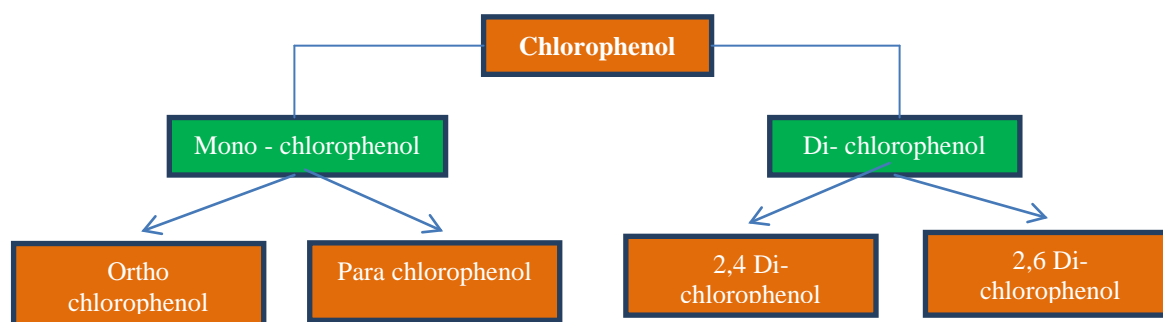
OUR BUSINESS

OVERVIEW

Valiant Organics Ltd. is a chemical manufacturing company with focus on manufacturing and marketing of different types of chlorophenol which is a chemical which has several applications mainly into agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs. We operate a single location manufacturing facility at Sarigam Industrial Estate having an installed capacity of 4,800 metric tonnes per annum.

This business was originally begun in the year 1984 as a partnership concern in the name and style of Valiant Chemical Corporation and our company was incorporated as a private limited company in 2005 with an object to acquire this partnership firm and subsequently the business is being run in our company. In 2015, our company was further converted into public limited company.

Currently, we manufacture Chlorophenols with the following range:



For further details on our products, please refer to para titled “Product Description” beginning on page 74 of the Draft Prospectus.

Our factory is well equipped with latest technology and advanced instruments in order to meet the international standards of quality which is well accepted not only by Indian customers, but also by our overseas customers in Europe, United States of America and Asia. We also offer customised specification of Chlorophenols as per the customer needs. Our manufacturing unit is strategically located at Sarigam in Umbergaon Taluka in Valsad District which is approximately at a distance of 180 kms. from our main export port - NhavaSheva Port (JNPT) and approximately 155 kms. from our office in Mumbai.

Our revenue from operations has increased at a CAGR of 12.37% from ₹ 3,267.67 lakhs in F.Y. 2012 to ₹ 5,209.94 lakhs in F.Y. 2016, our earnings before interest, depreciation and tax has increased at a CAGR of 24.33% from ₹ 718.36 lakhs in F.Y. 2012 to ₹ 1,716.40 lakhs in F.Y. 2016, and our profit after tax has increased at a CAGR of 27.36% from ₹ 391.78 lakhs in F.Y. 2012 to ₹ 1,030.64 lakhs in F.Y. 2016. We have delivered average Return on Net worth of 32.17% over the last five years.

Over the years we have built our goodwill amongst our customers and export markets and we believe the demand for our products are more than our supply capacity, hence, we have begun the process of applying with the government agencies to augment our production capacities upto 21,600 metric tonnes over the next few years in a phased manner. We believe that these expansion activities would be financed through our owned Networth and internal accruals or certain amount of banking facilities or a combination of the same.

Our Strengths

Unique product portfolio

We manufacture mono chlorophenols, namely Para Chlorophenol and Ortho Chlorophenol and di-chlorophenols, namely 2,4 Di-chlorophenol and 2,6 Di-chlorophenol. The chlorophenols we manufacture are mostly used in agro- chemical, dyes and pharmaceutical industry as intermediates. We believe that there are not many dedicated manufacturers of this product

in India or in our export markets and hence we are able to price our products without substantial competition. We believe that our unique product portfolio coupled with our ability to customise when required, provides us a competitive advantage in our sector.

Experienced management and a well-trained employee base

Our management team combines youth and experience to outline plans for the future development of the company. Our Company started its operations in the year 1984, initially manufacturing Meta Chloroaniline and in 1997, we started manufacturing chlorophenols. Mr.Hemchand Gala, our Chairman and Managing Director have been in the chemical business for over 4 decades. Our other directors and key employees are from varied backgrounds including manufacturing, marketing and finance that help us in capitalising on diversified business avenues. It is due to our strong business experience and management teams' ability to identify cost-effective methods to deliver timely and high quality products that we have achieved string operational performance over the years. For details regarding the educational background and experience of our directors and key employees please see "Our Management" beginning on page no. 93 of this Draft Prospectus.

Fully Integrated Manufacturing Facility

We carry on all of our core manufacturing activities in-house and there is no substantial dependence on job-work of external manufacturing. Our manufacturing unit is fully integrated and self-sufficient. The raw materials and consumables are readily available. Further, all other utilities like fuel, power and human resources have posed no hurdle till date. All the equipments required for manufacturing the products are in place. For further details on the list of equipments owned by our Company, please refer the para "Equipments" on page no. 77 of this Draft Prospectus.

Existing well established goodwill and client relationships

We believe that we constantly try to address customer needs with a variety of products. Our existing client relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We have existing client relationships with companies which get us repeated orders. We believe that our existing relationship and goodwill amongst our buyer markets represents a competitive advantage in gaining new clients and increasing our business with existing clients.

Our Strategies

Increase production capabilities

In focus areas, we have constantly enhanced our production capabilities. We plan to increase our installed capacity from existing 4800 MTPA to 21600MTPA over the period of the next three years. We currently operate at almost full utilisations of our installed capacities. The enhanced capacity will aid our Company in establishing market leadership and increase more customers.

Enhance customer base by entering new geographies to establish long-term relationships

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country and also world. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

Improving operational efficiencies

Our Company intends to improve efficiencies to achieve cost reductions so that our products can be competitive. We believe that this can be done through economies of scale. Further, the Company is also taking steps to reduce the consumption of power and other utilities. As a result of these measures, our Company will be able to increase its market share and profitability.

Leveraging our Market skills and Relationships

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

Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. This will also aid us in enhancing our brand value.

DETAILS OF OUR BUSINESS

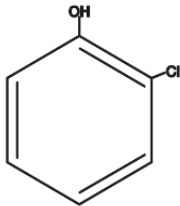
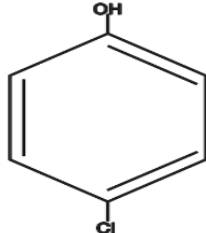
Product Description:

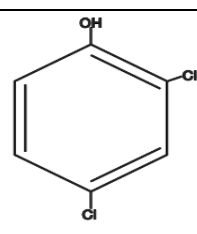
Chlorophenols are produced by passing chlorine in phenol to get various chlorophenols like monochlorophenols and dichlorophenols. these are then separated in fractionating columns to get pure products like ortho/para chlorophenols and 2:4 dichloro and 2:6 dichlorophenols .these products are used as intermediates in pharmaceuticals , agro intermediates, in dyes and in germicides like triclosan and in veterinary drugs.

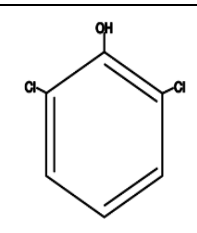
Currently, we manufacture Chlorophenols with the following range:

1. OrthoChlorophenol
2. ParaChlorophenol
3. 2,4 Di-chlorophenol
4. 2,6 Di-chlorophenol

The details for each type are as below:

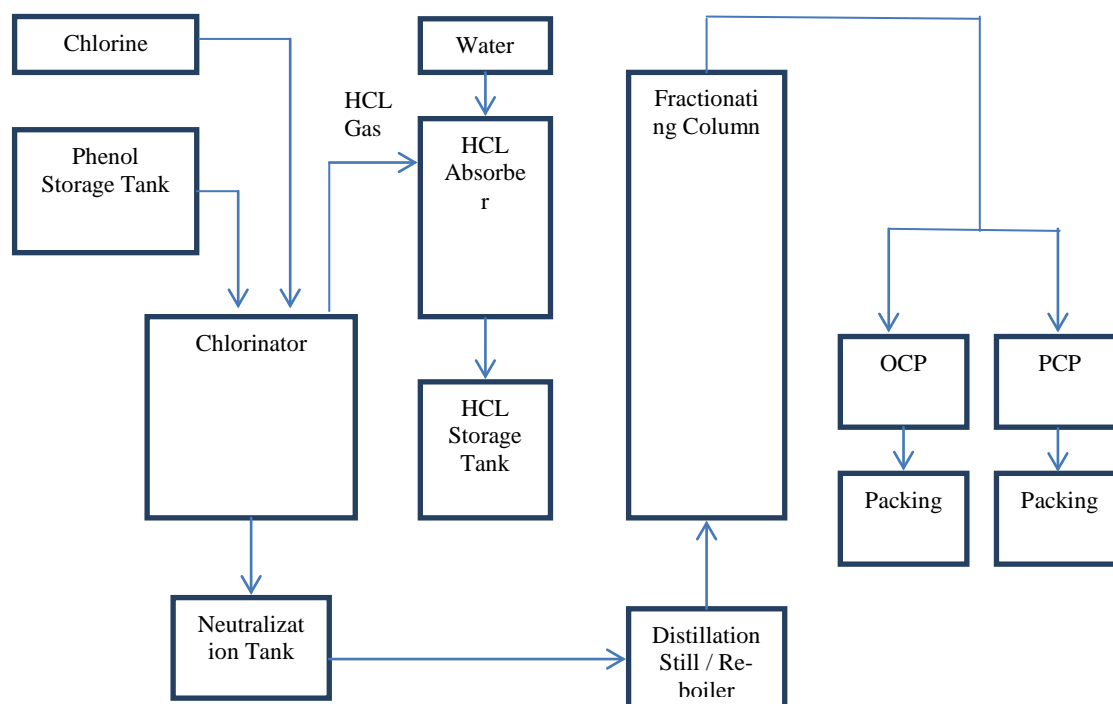
Product type:	Description: Ortho Chlorophenol or 2-Chlorophenol is an organic compound, a derivative of phenol. C.A.S. No.: 95-57-8	
Ortho Chlorophenol (OCP)	Type: Mono Chlorophenol	
	Properties: <i>Chemical Formula:</i> C ₆ H ₅ ClO <i>Molecular Weight:</i> 128.5 g/mol <i>Appearance:</i> Colorless to light amber, liquid <i>Melting point:</i> 8.5 °C to 8.7 °C <i>Boiling point:</i> 175 °C	
	Applications: Used as intermediate in pharmaceuticals and as agro intermediates and as dye intermediate.	
Product type:	Description: Para Chlorophenol or 4-Chlorophenol is an organic compound, a derivative of phenol.	
Para Chlorophenol (PCP)	C.A.S. No.: 106-48-9	
	Type: Mono Chlorophenol	
	Properties: <i>Chemical Formula:</i> C ₆ H ₅ ClO <i>Molecular Weight:</i> 128.5 g/mol <i>Appearance:</i> White Yellowish crystalline / fused <i>Melting point:</i> 40 °C to 45 °C <i>Boiling point:</i> 218 °C	

	Applications: Used mainly as intermediates in agro-chemical pharmaceutical and dyes industry. Also used in manufacturing of cosmetics and veterinary drugs.	
Product type:	Description: 2,4 Di-chlorophenol is an organic compound, a derivative of phenol. C.A.S. No.: 120-83-2	
2,4 Di-chlorophenol (2,4-DCP)	Type: Di-Chlorophenol	
	Properties: Chemical Formula: $C_6H_4Cl_2O$ Molecular Weight: 163 g/mol Appearance: White / off-white crystalline solid Melting point: 42 °C to 43 °C Boiling point: 209 °C to 210 °C	
	Applications: Used mainly in manufacturing germicide like Triclosan. Also used also used as agro intermediate and in manufacturing of veterinary drugs.	

Product type:	Description: 2,6 Di-chlorophenol is an organic compound, a derivative of phenol. 87-65-0	
2,6 Di-chlorophenol (2,6-DCP)	Type: Di-Chlorophenol	
	Properties: Chemical Formula: $C_6H_3Cl_2OH$ Molecular Weight: 163 g/mol Appearance: White / off-white crystalline solid Melting point: 64 °C to 66 °C Boiling point: 218 °C to 220 °C	
	Applications: Used primarily as a pharmaceutical intermediates.	

Business Process:

I. Mono Chlorophenol:



Chlorination

Phenol is reacted with Chlorine in Chlorinator. Chlorination is a process where passing of chlorine is continued till the desired conversion of phenol to Mono Chlorophenol is achieved.

HCL formation:

During Chlorination process, Hydrogen Chloride (HCL) gas is generated and the same is absorbed in the HCL Absorber (Graphite Absorber). HCL Absorber is treated with Water. HCL dissolves in the water to form hydrochloric acid, a by-product in the entire process of manufacturing chlorophenols.

Neutralisation:

The said chlorinated mass is aerated and neutralised with caustic soda before taking to the fractionating columns.

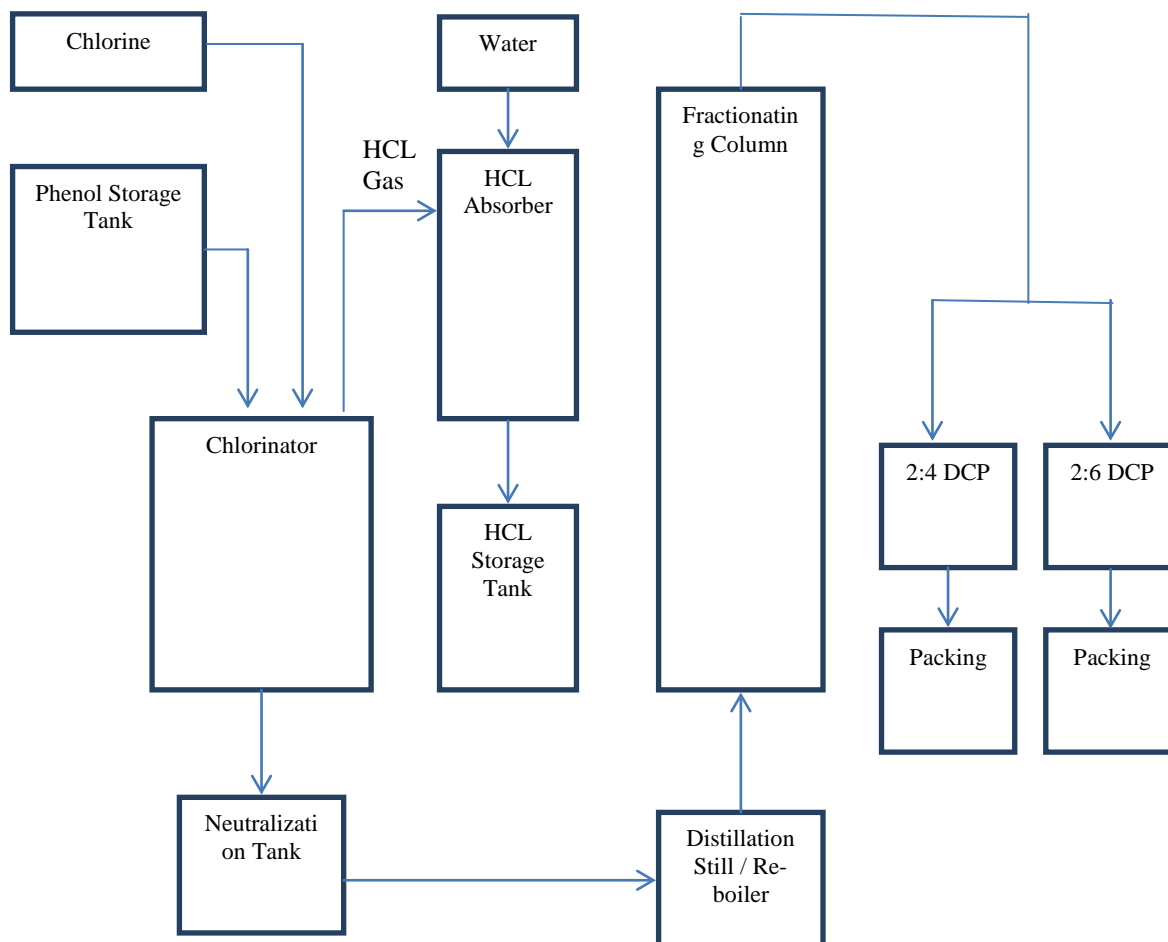
Fractionating columns:

The Fractionating columns are working under vacuum and the Ortho Chlorophenols and Para Chlorophenols are separated because of the difference in the boiling point of the two.

Packing and Dispatch:

The Ortho Chlorophenols and Para Chlorophenols so separated are packed and dispatched.

II. Di-Chlorophenols:



Chlorination

Phenol is reacted with Chlorine in Chlorinator. Chlorination is a process where passing of chlorine is continued till the desired conversion of phenol to Di-Chlorophenol is achieved.

HCL formation:

During chlorination process, HCL gas is generated which is absorbed in water in a graphite absorber to get 30% hydrochloric acid which has a ready market..

Neutralisation:

The said chlorinated mass is aerated and neutralised with caustic soda before taking to the fractionating columns.

Fractionating columns:

The Fractionating columns are working under vacuum and the 2,4 Di-Chlorophenols and 2,6 Di- Chlorophenols are separated because of the difference in the boiling point of the two.

Packing and Dispatch:

The 2,4 Di-Chlorophenols and 2,6 Di-Chlorophenols so separated are packed and dispatched.

Equipments:

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

Equipment Type	Nos.
Stainless Steel Claded	6
Mild Steel Tanks	47
Stainless Steel 316 Tanks	15
Chlorinator	12
HCL Absorbers	3
Glass Lined Reactors	2
Stainless Steel Reactors	1
HDPE Tanks	4
Incinerator	1 Unit
Fractioning Columns (60 MT)	10
Cooling towers	10
D.G. Sets (Generator)	1
Gas Chromatography Equipment	2
Karl Fischer Equipment	1
Balance Equipment	1

Equipment to be purchased out of the proceeds of the IPO:

Since this is an Offer For Sale IPO, no equipments are to be purchased from the proceeds.

Technology:

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

Raw Materials:

Major raw materials required during the entire manufacturing process of chlorophenols are chlorine gas and phenol. Chlorine gas available locally and the major requirements of the same is currently procured from Gujarat Alkalies and

Chemicals Limited. Phenol is imported from various countries, namely Hong Kong, Singapore, United States of America, etc. Further, caustic soda is also used as consumables in the process and the same are procured from locally available sources. Further, the Company also requires steam for the boiler usage. The same is purchased from our Group entity – Aarti Industries Limited. The Company also use plastic drums, iron drums for packing and HMHDPE bags as packing material.

Water:

Water requirement for our business is mainly during HCL absorbing stage, for cooling towers and also for sanitation purpose. The same is procured locally from the existing water supply network available at manufacturing unit and registered office.

Power:

The requirement of power is for the manufacturing operations and incineration process. Also, power is required for lighting at manufacturing unit and registered office and the same is met through the local power distribution company where the manufacturing unit and registered office are located. The Company also uses D. G. Sets whenever required.

Fuel

The requirement of diesel for operating the generators sets is met by supplies from the local markets.

Capacities:

The past capacities are explained as below:

Particulars	F.Y. 2013-14	F.Y. 2014-15	F.Y. 2015-16
Installed capacity at year end (MTPA)	4800	4800	4800
Capacity utilisation (MT)	3743	4535	4788
Capacity utilisation in %	77.98%	94.48%	99.76%

The projected capacities are estimated as below:

Particulars	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19
Installed capacity at year end (MTPA)	4,800	8,400	10,000
Capacity utilisation (MT)	4790	6,400	8,000
Capacity utilisation in %	99.80%	80.00%	80.00%

Human Resource:

As on July 01, 2016, we employ 51 full-time employees at our registered office and manufacturing unit. We need skilled as well as semi-skilled workers. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. The detailed break-up of employees is as under:

Category	No. of Employees
Directors and Key Managerial Personnel	4
Others	46
Total	50

None of our employees are members of any unions and we have not entered into any collective bargaining agreements with them. Further, we have not experienced any work stoppages or action by or with our employees.

Marketing:

Our success lies in the strength of our relationship with our customers. Our Chairman and Managing Director, Mr. Hemchand Gala and our director Mr. Arvind Chheda, through their vast experience and good rapport with customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them and focus on gaining an insight into their other additional needs and requirements. We advertise through a magazine namely, “Chemical Weekly” which is having a national and international reach.

Competition:

There are very few manufacturers of chlorophenol in India. We see Chinese manufacturer as our primary competitors. We face competition from other country manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, needs, and customer convenience.

Export Obligation:

As on the date of this Draft Prospectus, we have no export obligation.

Property:

Owned Properties

Sr. No.	Location of Property	Property Kind	Document type	Name of transferor
1.	Gala No. 109, admeasuring 320 sq. ft. built up area, 1 st Floor, UdyogKshetra, Building, UdyogKshetra Industrial Premises Co-op. Society Limited, 71, NahurMulund-Goregaon Link Road, Off L.B.S. Marg, Mulund – West, Mumbai – 400 080, Maharashtra	Registered Office	Agreement For Sale	M/s. Payal Export Inc. (Partnership Firm)
2.	Flat No. 403 admeasuring 115.52 sq. mtrs, in Building - E, 4 th Floor, Shanti Co-op. Housing Society Limited, Plot No. 1514/H-2/A , G.I.D.C., Vapi – 396195, Gujarat	Flat used as guest house	Agreement for Sale	Mr.ShashikantNanjibhaiGolakiya
3.	B1, B2, B3 and A5 at VrindavanApartment, Survey No. 82-K, Village - Sarigam, Taluka - Umbergaon, District - Valsad, Gujarat.	Staff Quarters	Agreement for Sale	Mr.Daneshwar P. Joshi, Mr.Kantilal P. Joshi and Mr.Chetan P. Joshi
4.	Block No. 1, Mahavir Apartment, at Survey No. 242/2, 243/2, Village - Sarigam, Taluka - Umbergaon, District - Valsad, Gujarat.	Staff Quarters	Agreement for Sale	Ms.Parul Rajesh Shah

Leasehold Properties

Sr. No.	Location of the Property and Area	Purpose	Lessor / Licensor and Relationship	Lease tenures
1.	Plot No. 2906 admeasuring 2567 sq. mtrs. atSarigam Industrial Estate, Village – Sarigam, Tal. – Umbergaon, Dist. Valsad, G.I.D.C., Gujarat – 396195	Manufacturing Unit	Lessor: G.I.D.C. Relationship: N.A.	The lease tenure expires in the year 2083.
2.	Plot No. 755 admeasuring 2841 sq. mtrs. atSarigam Industrial Estate, Village – Sarigam, Tal. – Umbergaon, Dist. Valsad, G.I.D.C., Gujarat – 396195	Manufacturing Unit	Lessor: G.I.D.C. Assignor: Alchemic Organics Private Limited Relationship: Promoter Group entity	The lease tenure expires in the year 2083.

Sr. No.	Location of the Property and Area	Purpose	Lessor / Licensor and Relationship	Lease tenures
3.	Plot No. 752, 753, 754 admeasuring 2530 sq. mtrs. at Sarigam Industrial Estate, Village – Sarigam, Tal. – Umbergaon, Dist. Valsad, G.I.D.C., Gujarat – 396195	Manufacturing Unit	<i>Lessor:</i> G.I.D.C. <i>Assignor:</i> Aarti Industries Limited <i>Relationship:</i> Promoter Group Entity	The lease tenure expires in the year 2083.

Note: We confirm that we do not propose to purchase any property / land from the proceeds of this IPO.

Health Safety and Environments

We manufacture chlorophenols, which are toxic in nature. We store chlorine gas which is also poisonous. Our activities in the state of Gujarat are subject to wide range of government rules and regulations regarding health, safety and environment protection. We are committed to protecting the health and safety of employees working in our manufacturing unit and the health and sustainability of the environment in which we operate.

The Company treats waste through incineration process which involves the combustion of organic substances contained in waste materials. Incineration waste treatment systems are described as "thermal treatment". Incineration of waste materials converts the waste into ash, flue gas, and heat. Thereafter, the said waste (solid waste) is handed over to Vapi Waste and Effluent Management Company Limited which manages and disposes the said waste further.

Insurance:

We generally maintain insurance covering our assets, stocks and operations at levels that we believe to be appropriate. We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, explosion, etc. which we believe is in accordance with customary industry practices. We also maintain burglary and house-breaking policies, marine policies, public liability industrial insurance policy, consequential loss (fire) policy, money insurance policy, and workmen's compensation policies wherever required.

KEY INDUSTRY REGULATIONS AND POLICIES

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 Company being a part of the chemicals manufacturing industry. The information detailed in this Chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. Our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please refer to the chapter on “Government and other Key Approvals”.

Our Company is engaged in the business of manufacturing and marketing of chloro phenol products. Our Company's business is governed by various central and state legislations that regulate the substantive and procedural aspects of the business. Our Company is required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

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

A. INDUSTRY-SPECIFIC REGULATIONS

The Factories Act, 1948

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

The following rules are applicable to the Company:

The Gujarat Factories Rules, 1963.

The Explosives Act, 1884

The Explosives Act, 1884 ("the Explosives Act") seeks to regulate the manufacture, possession, use, sale, transport and importation of explosives. For the purposes of the Explosives Act, an explosive has been defined to inter-alia mean [•]. The expression 'manufacture' has been defined in relation to an explosive to include the process of (a) dividing the explosive into its component parts or otherwise breaking up or unmaking the explosive, or making fit for use any damaged explosive; and (b) re-making, altering or repairing the explosive. Further, the Central Government may, for any part of India make rules consistent with the Explosives Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Moreover, the Central Government may from time to time, by notification, prohibit, either absolutely or subject to conditions, the manufacture, possession or importation of any explosive, which is of so dangerous a character that in the opinion of the central Government, it is expedient for the public safety to issue such notification.

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

The Industrial Disputes Act, 1947 ("ID Act") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several

benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, layoffs and retrenchment.

The Employees' Compensation Act, 1923

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

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act"), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Equal Remuneration Act, 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 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

The Payment of Bonus Act, 1965

The Payment of Bonus Act provides for payment of the minimum bonus to factory employees and every other establishment in which persons are employed during an accounting year and requires the maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, the set on and set off of allocable surplus and details of bonus due to the employees. Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

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 Payment of Gratuity Act, 1972

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

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

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

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 ("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.

The Maharashtra Shops and Establishment Act 1948

The Maharashtra Shops and Establishment Act 1948 ("Shops Act") inter-alia provides for the regulation of conditions of work and employment in shops, commercial establishments, residential hotels, restaurants, eating houses, theatres, other places of public amusement or entertainment and other establishments. The Company has its registered office at 109 UdyogKshetra, 1st floor, MulundGoregaon Link Road, Mulund (W), Mumbai 400 080 and accordingly, the provisions of the Shops Act are applicable to the Company.

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 Lakhs Only) (ii) a small enterprise, where the investment in plant and machinery is more than ₹25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed ₹5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than ₹5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹10,00,00,000/- (Rupees Ten Crores Only). 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.

Trade Union Act, 1926

The Trade Union Act, 1926 governs the disputes which arise/ may arise between employers and workmen or between workmen and workmen, or between employers and employers in connection to their employment, non-employment and the terms of employment or the conditions of labour. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

Legal Metrology Act, 2009

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

TAX RELATED LEGISLATIONS

The Central Sales Tax Act, 1956

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

CST is payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate. However, a dealer is entitled to a concessional rate of 2% CST on goods which are sold to another registered dealer who intends to further re-sell them or use them in the manufacture or processing for further sale or for certain other specified purposes, subject to the condition that purchasing dealer issues a statutory Form C to the selling dealer.

Value Added Tax

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

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

The Gujarat Value Added Tax Act, 2003 and rules and regulations thereunder.

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.

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

Excise-Related Regulations

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which inter-alia provides for the levy and collection of excise and requires every person who produces, manufactures, carries on trade, holds private store-room or warehouse or otherwise uses excisable goods, to obtain registration thereunder. Additionally, the Central Excise Tariff Act, 1985 inter-alia prescribes the rates of excise duties for various goods. The Central Excise Rules, 2002 inter-alia provides for the manner of payment of the central excise duty as well as the rebate and remission provisions.

Customs Act, 1962

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. Any Company requiring to import or export any goods is required to get itself registered and obtain an Importer Exporter Code (IEC) number.

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.

For details of the Company's material registrations under the applicable the tax legislations, kindly refer to the Chapter titled "Government and Other Key Approvals" beginning on page no. 156 of this Draft Prospectus.

ENVIRONMENT RELATED REGULATIONS

Environment Protection Act, 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.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (“the Water Act”) inter-alia provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Water Act defines “pollution” as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Water Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution. In terms of the Water Act, the previous consent of the Board constituted under the Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (“the Air Act”) inter-alia provides for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes of Boards for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Central Board constituted under Water (Prevention and Control of Pollution) Act, 1974, shall, without prejudice to its powers and functions under this Act, shall also exercise the powers and perform the functions of the Central Board under the Prevention and Control of Air Pollution. Similarly if in any State, the State Government has constituted for that State, a State Board for the Prevention and Control of Water Pollution, then such State Board shall be deemed to be the State Board for the Prevention and Control of Air Pollution and exercise the powers and perform the functions of the State Board for the Prevention and Control of Air Pollution also. In terms of the Air Act, no person operating any industrial plant, in any air pollution control area (so declared under the Air Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish or operate any industrial plant in an air pollution control area.

Hazardous Wastes (Management and Handling) Rules, 1989

The rules inter-alia require that hazardous wastes shall be collected, treated, stored and disposed of only in such facilities as may be authorised for the purpose. Further, every occupier generating hazardous wastes, whether or not it has a facility for collection, reception, treatment, transport storage and disposal of such wastes and every person intending to be an operator of such facility are required to obtain authorization from the State Pollution Control Board. The Schedule to the rules contains a list of hazardous wastes.

OTHER LAWS

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 others

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

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

The 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, 2013

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs (“MCA”) has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 108 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. Further, several provisions have been brought into force in 2016. The MCA has also made rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Trademarks Act, 1999

Under the Trademarks Act, 1999 (“TrademarksAct”), 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”)

The Foreign Trade (Development and Regulation) Act, 1992 (“FTA”) read along with relevant rules inter-alia 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 FTA, 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 inter-alia 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.

Foreign Exchange Management Act, 1999

Foreign investment in companies in the industry in which the Company operates 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 ‘Consolidated FDI Policy Circular of 2016’ dated June 07, 2016 (the “FDI Circular”) which consolidates the policy framework on Foreign Direct Investment (“FDI”), with effect from June 07, 2016. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till June 06, 2016. All the press notes, press releases, clarifications on FDI issued by DIPP till June 06, 2016 stand rescinded as on June 07, 2016.

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

FDI Circular dated June 07, 2016 issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment upto 100% is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Offer.

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

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Valiant Organics Private Limited on February 06, 2005 under the Companies Act, 1956 bearing Registration No. 151348 and having its Registered Office in Mumbai, Maharashtra. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Valiant Organics Limited vide special resolution dated November 26, 2014. A fresh Certificate of Incorporation consequent upon change of name was issued on July 31, 2015 by the Registrar of Companies, Mumbai, and Maharashtra. The Company's Corporate Identity Number is U24230MH2005PLC151348.

Valiant Organics Ltd. is a chemical manufacturing company with focus on manufacturing and marketing of different types of chlorophenol which is a chemical which has several applications mainly into agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs.

Our spectrum of services:

Valiant Organics Ltd. is a chemical manufacturing company with focus on manufacturing and marketing of different types of chlorophenol which is a chemical which has several applications mainly into agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs. We operate a single location manufacturing facility at Sarigam Industrial Estate having an installed capacity of 4,800 metric tonnes per annum.

This business was originally begun in the year 1984 as a partnership concern in the name and style of Valiant Chemical Corporation and our company was incorporated as a private limited company in 2005 with an object to acquire this partnership firm and subsequently the business is being run in our company. In 2015, our company was further converted into public limited company.

Our factory is well equipped with latest technology and advanced instruments in order to meet the international standards of quality which is well accepted not only by Indian customers, but also by our overseas customers in Europe, United States of America and Asia. We also offer customised specification of Chlorophenols as per the customer needs. Our manufacturing unit is strategically located at Sarigam in Umbergaon Taluka in Valsad District which is approximately at a distance of 180 kms. From our main export port - NhavaSheva Port (JNPT) and approximately 155 kms. From our office in Mumbai.

Our revenue from operations has increased at a CAGR of 12.37% from ₹ 3,267.67 lakhs in F.Y. 2012 to ₹ 5,209.94 lakhs in F.Y. 2016, our earnings before interest, depreciation and tax has increased at a CAGR of 24.33% from ₹ 718.36 lakhs in F.Y. 2012 to ₹ 1,716.40 lakhs in F.Y. 2016, and our profit after tax has increased at a CAGR of 27.36% from ₹ 391.78 lakhs in F.Y. 2012 to ₹ 1,030.64 lakhs in F.Y. 2016. We have delivered average Return on Net worth of 32.17% over the last five years.

Over the years we have built our goodwill amongst our customers and export markets and we believe the demand for our products are more than our supply capacity, hence, we have begun the process of applying with the government agencies to augment our production capacities upto 21,600 metric tonnes over the next few years in a phased manner. We believe that these expansion activities would be financed through our owned Net worth and internal accruals or certain amount of banking facilities or a combination of the same

For further details regarding our business operations, please see the chapter titled “Our Business” beginning on page no. 72 of this Draft Prospectus.

Our Company has 9 shareholders, as on the date of this Draft Prospectus.

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY:

Year	Event
2005	Incorporation as Private Limited Company
2005	Acquired assets and business of Valiant Chemical Corporation (partnership firm)
2008	Explored US overseas markets by commencing exports.
2013	Acquired additional plots, namely Plot No. 752, 753 and 754 at Sarigam
2013	Increase in installed capacity from 3000 MTPA to 4800 MTPA
2014	Explored Japan overseas markets by commencing exports.

2015	Converted into a Public Limited Company
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MAIN OBJECTS

The main object of our Company is as follows:

- To carry on the business of manufacturers, processors, importers, exporters, buyers, sellers, suppliers, stockist, agents, merchants, distributors of and dealers in all kinds of chemicals, drugs, medicines, pharmaceuticals, cosmetics, toilet goods, detergents, soaps, perfumes, paints, pigments, alkalis, acids, formulations, drug intermediates, dyes and dye intermediates, agrochemicals, fertilizers and other chemical preparation.
- To acquire and takeover as a going concern, the partnership firm at Mumbai carrying on business under the name and style M/s Valiant Chemical Corporation and as such, thereafter, the said firm shall stand dissolved.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change in Registered office	Registered office changed from	Change to
March 14, 2005	226, Udyog Kshetra, Mulund Goregoan Link Road, Mulund (West) Mumbai - 400080	109 Udyog Kshetra 1st Floor Mulund Goregaon Link Road Mulund (W) Mumbai 400080

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

DATE	NATURE OF AMMENDMENT
October 16, 2007	The initial authorized share capital of ₹ 50,00,000 divided into 5,00,000 Equity Shares ₹ 10/- each was increased to ₹ 60,00,000 divided into 6,00,000 Equity Shares of ₹ 10/-
December 03, 2010	The authorized share capital of ₹ 60,00,000 divided into 6,00,000 Equity Shares ₹ 10/- each was increased to ₹ 75,00,000 divided into 7,50,000 Equity Shares of ₹ 10/-
July 31, 2015	Board resolution passed for the conversion of the company from a Private Limited company to a Public Limited Company.
August 01, 2015	The authorized share capital of ₹ 75,00,000 divided into 7,50,000 Equity Shares ₹ 10/- each was increased to ₹ 4,00,00,000 divided into 40,00,000 Equity Shares of ₹ 10/-

SUBSIDIARIES

As on the date of this Draft Prospectus, there are no subsidiaries of our Company.

THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY

There is no accumulated profit/ (losses) not accounted for by our Company as on the date of this Draft Prospectus.

HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have any holding company within the meaning of Companies Act.

JOINT VENTURES

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

SHAREHOLDERS' AGREEMENT

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

ACQUISITION OF BUSINESS / UNDERTAKINGS

Upon its Incorporation our Company has acquired M/s Valiant Chemical Corporation.

FINANCIAL PARTNERS

We do not have any financial partners as on the date of this Draft Prospectus.

STRATEGIC PARTNERS

We do not have any strategic partners as on the date of this Draft Prospectus.

OTHER AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement/contract as on the date of this Draft Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

There are no injunctions / restraining orders that have been passed against the company.

OUR MANAGEMENT

Board of Directors:

Our Company has six (6) Directors consisting of three (3) Executive Directors, one (1) Non Executive Director and two (2) Non-Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Draft Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
Mr. Hemchand Gala <i>Chairman & Managing Director</i> Address: 3 – B, Amrit, P M Road, Santacruz - West, Mumbai - 400054 Date of appointment as Director: February 16, 2005 Date of re-designation as Chairman and Managing Director: July 01, 2016 Term: Appointed as Chairman and Managing Director for a period of three years i.e. till June 30, 2019. Occupation: Business DIN: 01587225	Indian	70 Years	<ul style="list-style-type: none"> Sarigam Waste And Effluent Management Company Limited
Mr. Arvind Chheda <i>Whole Time Director</i> Address: Opp Reliance Web World, A/8, 3FL, Mahesh Apartments, B.M. Bhargav Marg, Santacruz, Mumbai - 400054 Date of appointment as Director: February 16, 2005 Date of appointment as Whole Time Director: July 01, 2016 Term: Appointed as Whole-time Director for a period of three years i.e. till June 30, 2019. Occupation: Business DIN: 00299741	Indian	57 Years	NIL
Mr. Vishnu Sawant <i>Whole Time Director</i> Address: E-403, Shanti Co-op Housing Society, Gurudwara, Chanod, Colony, G.I.D.C, Vapi- Gujarat - 396195 Date of Appointment as Director: August 22, 2011 Date of re-designation as Whole Time Director: July 01, 2016	Indian	54 Years	NIL

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
Term: Appointed as Whole-time Director for a period of three years i.e. till June 30, 2019. Occupation: Business DIN: 03477593			
Mr. Vicky Gala <i>Non Executive Director</i> Address: 3 – B, Amrit, P M Road, Santacruz - West, Mumbai - 400054 Date of appointment as Director: April 01, 2012 Date of appointment as Non Executive Director: July 01, 2016 Term: Liable to retire by rotation Occupation: Business DIN: 05235515	Indian	35 Years	NIL
Mr. Dhiraj Gala <i>Additional Independent Director</i> Address: 1305/6, Dhavalgiri, Neelkanth Vihar, Kurla Terminus Pipeline Road, Gharkopar East, Mumbai- 400 077 Date of appointment as Independent Director:. July 01, 2016 Term: until next AGM Occupation: Business DIN: 07552111	Indian	61 Years	Songwon Specialty Chemicals India Private Limited
Mrs. Jeenal Savla <i>Additional Independent Director</i> Address: 401, Dwarkesh Apartment, Subhash Lane, Opp. Mayur Cinema, Kandivali West, Mumbai- 400 067 Date of appointment as Independent Director: July 01, 2016 Term: until next AGM Occupation: Professional DIN: 07545244	Indian	32 Years	Nil

For further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below.

Notes:

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

RELATIONSHIP BETWEEN DIRECTORS

- Mr. Hemchand Gala is the father of Mr. Vicky Gala

Save and except the above mentioned details, none of our Directors are related to each other.

BRIEF BIOGRAPHIES OF OUR DIRECTORS**Mr. Hemchand Gala**

Mr. Hemchand Gala, aged 70 years is the Chairman & Managing Director of our Company. He is also a founder Promoter of our Company. He holds a Bachelor's degree in Chemical Engineering from the University of Mumbai. Mr. Hemchand Gala has a vast experience of many years in the chemical industry. After completing his education, Mr. Hemchand Gala has worked for over 4 decades in many Chemical Corporations and has been appointed on key positions. He has been the prime leader of our Company and has been crucial in team building, identifying and implementing new strategies, infrastructure setup and client acquisitions.

Mr. Arvind Chheda

Mr. Arvind Chheda, aged 57 years is the Whole Time Director of our Company. He is also one of the core Promoters of our company. He holds a Government Diploma in Basic Accounts. He joined his family business of edible oils in the year 1978. In the year 1990, he joined the business and since then has been a instrumental force in building and taking the Corporate structure of the Company forward. Mr. Arvind Chheda is also the Chief Finance Officer (CFO) of the company.

Mr. Vishnu Sawant

Mr. Vishnu Sawant, aged 54 years is the Whole Time Director of our company. He holds a Bachelor's degree in Science from Shivaji University, Kolhapur, Maharashtra. Mr. Vishnu Sawant has nearly 3 decades of experience of working with Chemical Manufacturing companies. Before joining us Mr. Vishnu Sawant has worked for 3 different Chemical Labs and Manufacturing companies. He is currently responsible for running the entire operations of the Company at the Factory level.

Mr. Vicky Gala

Mr. Vicky Gala, aged 35 years is the Non Executive Director of our company. He is also one of the core Promoters of our company. He joined the family business and has been associated with our company since 2009 as a Promoter Director. With effect from 1st July, 2016, he was re-designated to being a Non-executive Director of our Company. He is currently working as a free lance consultant and investor.

Mr. Dhiraj Gala

Mr. Dhiraj Gala, aged 61 years is the Non Executive Independent Director of our Company. Mr. Dhiraj Gala has completed his graduation in Commerce from Mumbai University. He is also a Member of Institute of Chartered Accountants of India. Apart from being a qualified C.A., Mr. Dhiraj Gala is also a Company Secretary and a Cost & Work Accountant. He has a vast experience of over 3 decades in related fields. During his long and vast career, Mr. Dhiraj Gala has been associated with many well known firms in Mumbai. Besides his experience as a professional, Mr. Dhiraj Gala also runs his own Computer Rentals business under the firm Neerav Computers.

Mrs. Jeenal Savla

Mrs. Jeenal Savla, aged 32 years is the Non Executive Independent Director of our Company. Mrs. Jeenal Savla holds a graduate degree in Commerce from Narsee Monjee College of Commerce and Economics, Mumbai. She is also a Chartered Accountant by profession and is currently working with Bathiya & Associates LLP, Chartered Accountants. She has been a member of the Internal Audit Committee of ICAI (WIRC) during the year 2013-14. Currently Mrs. Jeenal Savla is pursuing Law from Mumbai University.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on December 19, 2014 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed 13.00 crores.

Remuneration of Executive Directors**Mr. Hemchand Gala, Chairman and Managing Director**

Our company has entered into an agreement with Mr. Hemchand Gala dated July 01, 2016 defining the remuneration, scope of work and conduct as the Chairman & Managing Director.

The compensation package payable to him as resolved in the shareholders meeting held on June 27, 2016 and as mentioned in the above agreement is:

Basic Salary: The total remuneration paid to Mr. Hemchand Gala, Chairman and Managing Director, Not exceeding ₹40,00,000 / - (Rupees Fourty Lakhs only) per annum as may be decided by the Board of Directors from time to time.

Perquisites: shall not be entitled to perquisites

Other benefits:

Mr. Hemchand Gala shall also be eligible to the following benefits in addition to the above Remuneration, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

Remuneration paid to Mr. Hemchand Gala for FY 2015-16 was ₹ 39.64 Lakhs and a amount of ₹ 7.27 was paid as commission during the year.

Mr. Arvind Chheda, Whole Time Director

Our company has entered into an agreement with Mr. Arvind Chheda dated July 01, 2016 defining the remuneration, scope of work and conduct as the Whole Time Director.

The compensation package payable to him as resolved in the shareholders meeting held on June 27, 2016 and as mentioned in the above agreement is:

Basic Salary: The total remuneration paid to Mr. Arvind Chheda, Whole Managing Director, Not exceeding 23,64,100 / - (Rupees Twenty Three Lakhs sixty four thousand one hundred only) per annum as may be decided by the Board of Directors from time to time.

Perquisites: shall not be entitled to perquisites

Other benefits:

Mr. Arvind Chheda shall also be eligible to the following benefits in addition to the above Remuneration, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

Remuneration paid to Mr. Arvind Chheda for FY 2015-16 was ₹ 20.93 Lakhs and a amount of ₹ 7.27 was paid as commission during the year.

Mr. Vishnu Sawant, Whole Time Director

Our company has entered into an agreement with Mr. Vishnu Sawant dated July 01, 2016 defining the remuneration, scope of work and conduct as the Whole Time Director.

The compensation package payable to him as resolved in the shareholders meeting held on June 27, 2016 and as mentioned in the above agreement is:

Basic Salary: The total remuneration paid to Mr. Vishnu Sawant, Whole Time Director, Not exceeding ₹10,80,000 / - (Rupees Ten Lakhs Eighty Thousand only) per annum as may be decided by the Board of Directors from time to time.

Perquisites: shall not be entitled to perquisites

Other benefits:

Mr. Vishnu Sawant shall also be eligible to the following benefits in addition to the above basic salary, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

Remuneration paid to Mr. Vishnu Sawant for FY 2015-16 was ₹ 8.20 Lakhs.

Compensation of Non-Executive Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on July 26, 2016 the Non-Executive Directors will be paid ₹ 5,000/- per for Board Meetings and ₹ 2,500 as sitting fee for all Corporate Governance Committee meetings held.

Remuneration paid to our Non-Executive Directors in Fiscal 2016: Nil

Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Draft Prospectus:

Name of Directors	No. of Equity Shares held	% of Pre-Offer Paid Up Capital
Mr. Arvind Chheda	4,55,040	12.50%
Mr. Hemchand Gala	3,56,270	9.79%
Mr. Vicky Gala	3,46,130	9.51%
Mr. Vishnu Sawant	NIL	NIL
Mrs. Jeenal Savla	NIL	NIL
Mr. Dhiraj Gala	NIL	NIL
Total	11,57,440	31.80%
Grand Total	36,40,320	100.00%

Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled “*Our Management*” and the section titled “Annexure XXIII: Statement of Related Party Transactions” beginning on page nos. 93 and 134 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “Properties” within the section titled “*Our Business*” on page no. 72 of this Draft Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus. Further, except as disclosed in “Properties” within the section titled “*Our Business*” on page no. 72 of this Draft Prospectus, our Company has not taken any property on lease from our Promoters within two years of the date of this Draft Prospectus.

Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

Sr. No	Name of Director	Date of Change	Reason for change
1	Mr. Arvind Chheda	July 01, 2016	Change in Designation
2	Mr. Hemchand Gala	July 01, 2016	Change in Designation
3	Mr. Vicky Gala	July 01, 2016	Change in Designation
4	Mr. Vishnu Sawant	July 01, 2016	Change in Designation
5	Mrs. Jeenal Savla	July 01, 2016	Appointment
6	Mr. Dhiraj Gala	July 01, 2016	Appointment

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on the SME Exchange will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board Our Company has six (6) Directors consisting of three (3) Executive Directors, one (1) Non Executive Director and two (2) Additional Independent Directors. Our Chairman is an Executive Director and we have a woman director on our Board.

Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee.
2. Stakeholder's Relationship Committee.
3. Nomination and Remuneration Committee.
4. Corporate Social Responsibility Committee

1. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated July 26, 2016 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Dhiraj Gala	Non Executive Independent Director	Chairman
Mrs. Jeenal Savla	Non Executive Independent Director	Member
Mr. Hemchand Gala	Chairman & Managing Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Company financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "Related Party Transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company shall act as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

2. Stakeholder's Relationship Committee

The Shareholder and Investor Grievance Committee of our Board were constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated July 26, 2016 The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr Dhiraj Gala	Non Executive Director	Chairman
Mr. Arvind Chheda	Whole Time Director	Member
Mr. Hemchand Gala	Chairman & Managing Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- Allotment and listing of our shares in future
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated July 26, 2016

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Vicky Gala	Non Executive Non Independent Director	Chairman
Mrs. Jeenal Savla	Non Executive Independent Director	Member
Mr. Dhiraj Gala	Non Executive Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report

Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public offer.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of our Board was re-constituted by our Directors pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Companies Act, 2013 by a board resolution dated July 26, 2016 The Corporate Social Responsibility Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Dhiraj Gala	Non Executive Independent Director	Chairman
Mr. Hemchand Gala	Chairman & Managing Director	Member
Mr. Arvind Chheda	Whole Time Director	Member

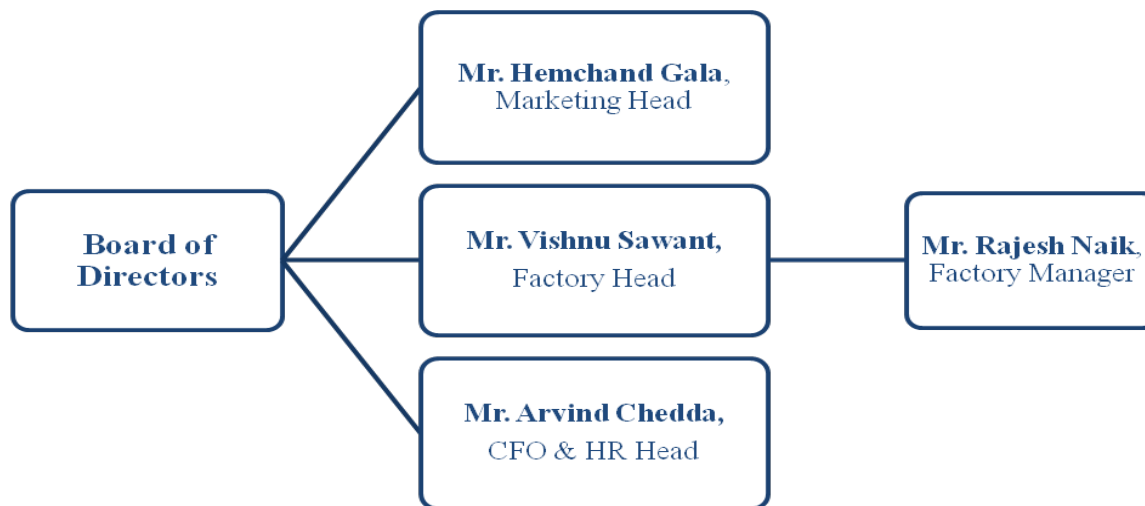
The terms of reference of Corporate Social Responsibility Committee shall, inter-alia, include the following:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

Quorum and Meetings

The quorum necessary for a meeting of the Corporate Social Responsibility Committee shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher. Since the formation of the committee, no Corporate Social Responsibility Committee meetings have taken place.

Management Organization Structure



Terms & Abbreviations

C.F.O - Chief Finance Officer
HR - Human Resources

Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation	Date of Appointment	Remuneration paid during 2015-16(₹ in lakhs)	Qualification	Previous Employer(s)	Total Experience
Mr. Arvind Chhedda ⁽²⁾	CFO & HR Head	Since Incorporation ⁽¹⁾	28.2	Diploma in Basic Accounts	NIL	38 Years
Mr. Hemchand Gala ⁽²⁾	Marketing Head	Since Incorporation	46.91	Bachelor in Chemical Engineering	<ul style="list-style-type: none"> Indian Chemical Corporation Narmada Medical Corporation Bharat Chemicals 	44 Years
Mr. Vishnu Sawant ⁽²⁾	Factory Head	Since Incorporation	8.20	B. Sc	<ul style="list-style-type: none"> Arlabs Ltd Aarti Ind. Ltd Alchemie Organics 	31 Years
Rajesh C. Nayak	Factory Manager	Since Incorporation	1.56	Draughtsman Mech.	NIL	28 Years

⁽¹⁾ Mr. Arvind Chhedda has been managing the Financial matters of our company since Incorporation. However he was appointed as the CFO of our Company on July 01, 2016

⁽²⁾ For complete details of Mr. Arvind Chhedda, Mr. Hemchand Gala and Mr. Vishnu Sawant, please refer the chapter titled —Our Management on page no. 121 of this Draft Prospectus.

Other Notes –

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Also, they are not related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP's are related to each other.

Also, none of them have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

Shareholding of Key Managerial Personnel

Except as mentioned below, none of our KMP's holds any shares of our Company as on the date of this Draft Prospectus.

Sr. No.	Name of Shareholders	No. of Shares.
1	Mr. Arvind Chheda	4,55,040
2	Mr. Hemchand Gala	3,56,270
Total		8,11,310

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled and as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and . Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to / in terms of this Offer, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.

Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company.

Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP / ESPS scheme for employees.

Payment or Benefit to our Officers

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus.




There has been no change in KMP's of our company in past 3 years preceding the date of this Draft Prospectus

OUR PROMOTERS AND PROMOTER GROUP


THE PROMOTERS OF OUR COMPANY ARE:


1. Mr. Arvind Chheda
2. Mr. Hemchand Gala
3. Mr. Vicky Gala
4. Mrs. Aarti Gogri
5. Dr. Manisha Gogri

The details of our Promoters are provided below:

	<p>Mr. Arvind Chheda, aged 57 years is the Whole Time Director of our Company. He is also one of the core Promoters of our company. He holds a Government Diploma in Basic Accounts. He joined his family business of edible oils in the year 1978. In the year 1990, he joined the business and since then has been a instrumental force in building and taking the Corporate structure of the Company forward. Mr. Arvind Chheda is also the Chief Finance Officer (CFO) of the company.</p>
Other Interest	NIL
PAN	AAAPC6553G
Passport No	L4338386
Driver's License No	MH02 20090182194
Voter's ID No.	MT/08/038/174089
Name of Bank & Branch:	HDFC Bank, Rattan Galaxie Junction, J.N. road, Mulund - West
Bank A/c No.	00151330002860
	<p>Mr. Hemchand Gala, aged 70 years is the Chairman & Managing Director of our Company. He is also a founder Promoter of our Company. He holds a Bachelor's degree in Chemical Engineering from the University of Mumbai. Mr. Hemchand Gala has a vast experience of many years in the chemical industry. After completing his education, Mr. Hemchand Gala has worked for over 4 decades in many Chemical Corporations and has been appointed on key positions. He has been the prime leader of our Company and has been crucial in team building, identifying and implementing new strategies, infrastructure setup and client acquisitions.</p>
Other Interest	<ul style="list-style-type: none"> • Sarigam Waste And Effluent Management Company Limited
PAN	ABUPG3062D
Passport No	H4205113
Voter's ID No.	KNF1205475
Name of Bank & Branch:	HDFC Bank, Rattan Galaxie Junction, J.N. road, Mulund – West
Bank A/c No.	00151000134891
	<p>Mr. Vicky Gala, aged 35 years is the Non Executive Director of our company. He is also one of the core Promoters of our company. He joined the family business and has been associated with our company since 2009 as a Promoter Director. With effect from 1st July, 2016, he was re-designated to being a Non-executive Director of our Company. He is currently working as a free lance consultant and investor.</p>
PAN	AFSPG2738J
Passport No.	H4206819
Voter's ID No.	KNF1202811

Name of Bank & Branch	HDFC Bank, Rattan Galaxie Junction, J.N. road, Mulund – West
Bank A/c No.	00151000134874

	Mrs. Aarti Gogri aged 53 years is a promoter of our company; She holds a Graduate degree in Science (Physics) from Mumbai University.
Other Interest	<ul style="list-style-type: none"> • Safechem Enterprises Private Limited • Alchemie Pharma Chem Limited • Alchemie Leasing And Financing Private Limited • Alchemie Finserv Private Limited • Plancess Edusolutions Private Limited
Personal Address:	1401, Antariksha Murar Road, Mulund (W) – Mumbai – 400080.
PAN	AACPG1553E
Passport No	Z3098205
Driver's License No	MH03 20080076826
Voter's ID No.	MT/09/052/802639
Name of Bank & Branch:	Axis Bank, Mulund Branch, Mumbai(West)
Bank A/c No.	108010100001434

	Dr. Manisha Gogri aged 41 years. She is one of the core promoter of our company, After completing her MBBS from Seth G. S. Medical College in the year 1998, She is a child specialist and a private practitioner and she have been working with Seven Hills Hospital for past 6 years.
Other Interest	<ul style="list-style-type: none"> • Alchemie Pharma Chem Limited • Alchemie Dye Chem Chem Limited
Personal Address:	1802, Richmond Cliff Avenue, Hiranandani, Powai, Mumbai - 400076.
PAN	ACHPG2007Q
Passport No	Z3226935
Driver's License No	MH03/98/40827
Voter's ID No.	CPN1136928
Name of Bank & Branch:	Axis Bank, Mulund Branch, Mumbai(West)
Bank A/c No.	108010100142779

For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page no. 38 of this Draft Prospectus.

Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoters shall be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters have confirmed that they have not been identified as wilful defaulters.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or

dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Interests of Promoters

Our promoters may be deemed to be interested in our company as promoters, shareholders and with respect to all corporate actions or benefits related to such shares. Further our promoters may be deemed to be interested to the extent to the shareholding of their relatives and in respect of all corporate actions or benefits related to such shares. For details of our promoter group shareholding please see “Capital Structure” beginning on page 38 of this Draft Prospectus.

Also some of our promoters may be interested in our company to the extent of compensation / commissions / other payables and reimbursement of expenses (if applicable).

Further some of our promoters may be interested to the extent of unsecured loans granted to our company or personal guarantees given in our company’s favour. Further our promoters may also be interested to the extent of loans if any granted by them or their relatives or granted by the companies, firms, HUF in which they are interested as Directors / Members / Partners / Karta to our company.

For further details on the interests of our Promoters directors please see chapters titled “Risk Factors”, “Our Management”, and “Financial Statements” beginning on pages 9, 93, and 113 of this draft Prospectus respectively.

For details on the interests of our non-director promoters please see chapter titles “Risk Factors” and “Our Business” beginning on page 9 and 72 of this Draft Prospectus respectively.

Interests of Promoters in any transaction involving acquisition of land, construction of building and supply of machinery etc.

Except as disclosed in chapters titled “Risk Factors” and “Our Business” beginning on page 9 and 72 of this Draft Prospectus, none of our promoters had any interests in any such transaction.

Payments or benefits to promoters and promoters group in the last two years

Except as disclosed in chapters titled “Financial Statements”, “Our Management” “Risk Factors” and “Our Business” beginning on page 113, 93, 9 and 72 of this Draft Prospectus, none of our promoters and promoters group have been made any payments or benefits.

Related Party Transactions

Except as stated in the “Annexure XXIII: Statement of Related Party Transactions” on page no. 133 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoters Group as on the date of this Draft Prospectus, please see the chapter titled “Capital Structure – Notes to Capital Structure” beginning on page no. 38 of this Draft Prospectus.

Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or Promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XXIII: Statement of Related Party Transactions “on page no. 133 of this Draft Prospectus.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 9 and 149 of this Draft Prospectus.

OUR PROMOTERS GROUP

Apart from our Promoters, as per Regulation 2(1)(zb) of the SEBI (ICDR) Regulation, 2009, the following individuals and entities shall form part of our Promoters Group:

A. Natural Persons who are Part of the Promoters Group

Name of the Promoters	Name of the Relative	Relationship with the Promoter
Mr. Arvind Chheda	Late Mr. Kanji Chheda	Father
	Late Mrs. Tejbai Chheda	Mother
	Mrs. Ranjan Chheda	Wife
	Late Mr. Mukesh Chheda	Brother(s)
	Mr. Raj Chheda	Son(s)
	Ms. Hiral Chheda	Daughter(s)
	Late Mr. Lalji Nisar	Wife's Father
	Late Mrs. Mamiben Nisar	Wife's Mother
	Mrs. Heena Sangoi	Wife's Sister(s)
Mr. Hemchand Gala	Late Mr. Lalji Gala	Father
	Late Mrs. Hasbai Gala	Mother
	Mrs. Dhanvanti Gala	Wife
	Mr. Mahendra Gala	Brother(s)
	Late Mrs. Sunderben Vora	Sister(s)
	Mrs. Maniben Chheda	
	Late Mrs. Tejbai Chheda	
	Mr. Vicky Gala	Son(s)
	Mrs. Mili Joshi	Daughter(s)
	Late Mr. Shamji Dedhia	Wife's Father
	Late Mrs. Sakarben Dedhia	Wife's Mother
	Mr. Raman Dedhia	Wife's Brother(s)
	Late Mrs. Maniben Savla	Wife's Sister(s)
	Late Mrs. Amrutben Chheda	
Mr. Vicky Gala	Mr. Hemchand Gala	Father
	Mrs. Dhanvati Gala	Mother
	Mrs. Beena Gala	Wife
	Mr. Bhavya Gala	Son
	Mrs. Mili Joshi	Sister(s)
	Mr. Chiman Gada	Wife's Father
	Mrs. Hemlata Gada	Wife's Mother
	Mr. Paras Gada	Wife's Brother(s)
	Mrs. Dipti Chheda	Wife's Sister(s)
Mrs. Aarti Gogri	Mr. Talakshi Nanji Shah	Father
	Mrs. Rukmani Shah	Mother
	Mr. Rajendra Gogri	Husband
	Mr. Renil Gogri, Mr. Mirik Gogri	Son(s)
	Mr. Vikram Shah	Brother(s)
	Mrs. Parul Nahar, Mrs. Rupal Dedhia	Sister(s)
	Late Mr. Vallabhji Gogri	Husband's Father
	Mrs. Dhanvanti Gogri	Husband's Mother

Name of the Promoters	Name of the Relative	Relationship with the Promoter
	Mr. Chandrakant Gogri	Husband's Brother(s)
	Mrs. Indira Dedhia Mrs. Bhanu Savla	Husband's Sister(s)
Dr. Manisha Gogri	Mr. Biren Malde	Father
	Mrs. Vanlata Malde	Mother
	Mr. Rashesh Gogri	Husband
	Mr. Aarnav Gogri, Mr. Aashay Gogri	Son(s)
	Mr. Sanket Malde	Brother(s)
	Mr. Chandrakant Gogri	Husband's Father
	Mrs. Jaya Gogri	Husband's Mother
	Mrs. Hetal Gogri Gala	Husband's Sister(s)

As per Regulation 2(1)(zb)(iv) of the SEBI (ICDR) Regulations, 2009, as amended the following companies, LLPs, firms, HUF shall for part of our promoter group:

Sr. No.	Definition	Promoter Group
A	Anybody corporate in which ten per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member.	<ul style="list-style-type: none"> • Aarti Industries Limited • Aarti Drugs Limited • Aarson Crop Care Private Limited • Aarti Ventures Limited • Abhilasha Texchem Limited • Alchemie Dyechem Private Limited • Alchemie Finacial Services Limited • Alchemie Finserv Private Limited • Amarjyot Chemicals Limited • Argenta Chemical Private Limited • Crystal Millennium Realtors Private Limited • Dilesh Logistics India Private Limited • Gogri Finserv Private Limited • Planceess Edusolutions Private Limited • Spark Academy Private Limited • Humming Whale Product Innovations Private Limited • Abhilasha Ventures LLP • Gogri Enterprise LLP • Genesis Unichem LLP • Rupal Drugs LLP • DhanVallabh Ventures LLP • Aakansha Unichem LLP • Pooja Unichem LLP • Harshit Ventures LLP • Aar Em Ventures LLP • Aashay Ventures LLP • Conventry Properties LLP • High Scale Properties LLP • Ishat Properties LLP • Dhaval Realtor LLP • Aakansha Pharmachem LLP
B	Anybody corporate in which a body corporate as provided in (A) above holds ten per cent. or more, of the equity share capital	<ul style="list-style-type: none"> • Aarti Corporate Services Limited • Aarti Intermediate Private Limited • Crystal Millennium Merchandise Private Limited • Dilesh Roadlines Private Limited

		<ul style="list-style-type: none"> • DRL Cargo Carriers Private Limited • Innovative Envirocare Jhagadia Limited • Kucchi Realtors and Developers Private Limited • Anushakti Enterprises Private Limited • Ganesh Polychem Limited • Perfect Enviro Control System Ltd. • Aarti Udyog LLP • Aarti DMCC Fertilizers LLP • Mahavir Millenium LLP • Florry Commercials LLP • Rose Peach Commercials LLP • Malhar Venture LLP • Aarti Real Chem LLP
C	Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent of the total	<ul style="list-style-type: none"> • Crystal Millennium Associates • Alchemie Laboratories • Alchemie Industries • S.S.V.Developers & Builders • Vinayak Realtors • Sumukh Developers • Amulaya Bio Products • Shyam Gopal Developers • Kumkum Silk Mills • Malhar Realtors • Malhar Developers • Hemchand Lalji Gala HUF • Vicky Hemchand Gala HUF • Arvind Kanji Chheda HUF • Mahendra Gala HUF • Chiman Gada HUF • Rajendra Gogri HUF • Chandrakant Gogri HUF • Rashesh Gogri HUF • Vikram Shah HUF

OUR GROUP COMPANIES

In terms of the SEBI Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated June 27, 2016 our Group Companies include:

- Those companies disclosed as related parties in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last five financial years and
- All companies forming part of the Promoter Group, with whom our Company has entered into one or more transactions during any of the last three fiscals such that the cumulative transaction value with our Company in any of the aforementioned fiscals / period exceeds 10% of the total revenue of our Company in the respective fiscals / period.

Further, companies which have been disclosed as related parties in the Restated Financial Statements of our Company for the last five financial years and which are no longer associated with our Company have not been disclosed as Group Companies.

Based on the above; as on the date of this Draft Prospectus; we do not have any Group Company.

CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES

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

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company have paid dividends during the year March 2012, March 2013, March 2014, March 2015, and March 2016. The details of the amount paid as dividend is as follows.

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
On Equity Shares					
Number of Fully Paid up Shares	36,40,320	3,64,032	3,64,032	3,64,032	4,27,828
Face Value (₹)	10.00	10.00	10.00	10.00	10.00
Paid up Value per Share (₹)	10.00	10.00	10.00	10.00	10.00
Rate of Dividend	200%	1000%	420%	420%	250%
Dividend Amount	728.06	364.03	152.89	152.89	106.96
Corporate dividend tax on above	148.22	72.79	25.98	24.80	17.35
Dividend Amount per Share (₹)	20.00	100.00	42.00	42.00	25.00

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION – VI – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

REPORT OF THE INDEPENDENT AUDITORS ON RESTATED FINANCIAL STATEMENTS

To,
The Board of Directors,
M/s Valiant Organics Limited
109, Udyog KShetra,
LBS Marg,
Mulund(W), Mumbai 400080

We have examined Financial Statements and Other Financial Information of Valiant Organics Limited (the 'Company') taking into consideration the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated June 01, 2016 in connection with the proposed IPO of the Company and the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

The said Restated Financial Statements and other Financial Information have been prepared for the purposes of inclusion in the Draft Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- i. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (hereinafter referred to as the "Act");
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI'); as amended to date;
 - iii. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the years ended on 31st March 2016, 2015, 2014, 2013 and 2012 and the 'Restated Statement of Assets and Liabilities' (**Annexure – I**) as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company's management. The information have been extracted from the standalone financial statements for the financial years ended on 31st March 2016, 2015, 2014, 2013 and 2012 audited by M/s Madan Dedhia & Associates Chartered Accountants, being the Statutory Auditors of the Company for the respective years and is re-audited by us for the financial year ended 31st March 2016, approved by the Board of Directors. We did not carry out any validation tests or review procedures of financial statements for aforesaid financial year audited by M/s Madan Dedhia & Associates, Chartered Accountants, upon which we have placed our reliance while reporting.
1. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Valiant Organics Limited, we, M/s. V J Shah & Co, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
 2. Based on our examination, we further report that:
 - a. The Restated Statement of Assets and Liabilities of the Company as at March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in **Annexure I** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
 - b. The Restated Statement of Profit and Loss of the Company for the years ended on March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in **Annexure II** to this examination report are after making adjustments

and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in Annexure IV and the Statement of Adjustments to the audited financial statements in Annexure V.

- c. The Restated Statement of Cash Flows of the Company for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in **Annexure III** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
- d. The Restated Financial Statements have been made after incorporating adjustments for :
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amounts in the respective financial years to which they relate.

Which are stated in the Notes to Accounts as set out in **Annexure V**:

- e. Such Financial statements do not require any corrective adjustments on account of :
 - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company as at and for the years ended March 31, 2016, 2015, 2014, 2013, 2012 and 2011.
 - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.

3. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

- i) Schedule of Share Capital (Annexure - VI)
- ii) Schedule of Reserves & Surplus (Annexure - VII)
- iii) Schedule of Fixed Assets (Annexure - VIII)
- iv) Schedule of Long-Term Investments (Annexure – IX)
- v) Schedule of Long Term Loans & Advances (Annexure – X)
- vi) Schedule of Short Term Loans & Advances (Annexure – XI)
- vii) Schedule of Inventories (Annexure – XII)
- viii) Statement of Trade Receivables (Annexure – XII)
- ix) Statement of Cash & Cash Equivalent (Annexure - XIV)
- x) Details of Long Term Borrowings of the Company (Annexure – XV)
- xi) Details of Short Term Borrowings of the Company (Annexure – XVI)
- xii) Statement of Trade Payables (Annexure – XVI)
- xiii) Schedule of Other Current Liabilities (Annexure – XVIII)
- xiv) Schedule of Long Term Provisions (Annexure –XIX)
- xv) Schedule of Short Term Provisions (Annexure – XX)
- xvi) Schedule of Revenue from Operations (Annexure – XXI)
- xvii) Schedule of Other Income (Annexure – XXII)
- xviii) Schedule of Related Party Transactions (Annexure – XXIII)
- xix) Capitalization Statement (Annexure – XXIV)
- xx) Schedule of Contingent Liability (Annexure – XXV)
- xxi) Schedule of Dividend Paid (Annexure – XXVI)
- xxii) Summary of Accounting Ratios (Annexure – XXVII)
- xxiii) Statement of Tax Shelter (Annexure – XXVIII)

4. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXVIII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and

Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

5. This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by the M/s Madan Dedhia & Associates, Chartered Accountant, being the Statutory Auditors of the Company nor should this report be construed as new opinion on any of the financial statement referred to therein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For M/s. V J Shah & Co,
Chartered Accountants
(Firm Registration No. 109823W)

Mr. Mayank Shah
Partner
Membership No: 033622
Place: Mumbai
Date: June 27, 2016

Annexure I: STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
EQUITY AND LIABILITIES					
Shareholder's fund					
a) Equity Share Capital	364.03	36.40	36.40	36.40	42.78
b) Reserves and surplus	1,911.23	2,103.84	1,827.76	1,452.51	1,501.95
Total Shareholders Fund	2,275.26	2,140.24	1,864.16	1,488.91	1,544.73
Non-current liabilities					
a) Long term provisions	1,176.03	809.29	642.85	385.85	474.89
b) Deferred Tax Liability (Net)	149.90	143.33	138.73	130.03	118.09
Total	1,325.93	952.62	781.58	515.88	592.97
Current liabilities					
a) Short-term borrowings	97.13	771.79	502.27	231.04	201.06
b) Trade payables	342.89	69.07	568.11	505.71	271.34
c) Other current liabilities	15.10	14.57	12.79	12.20	11.42
d) Short-term provisions	21.19	17.62	13.98	7.95	6.23
Total	476.31	873.05	1,097.14	756.90	490.04
TOTAL	4,077.50	3,965.90	3,742.88	2,761.69	2,627.74
ASSETS					
Non - Current Assets					
a) Fixed Assets					
i.) Tangible assets	1,243.67	1,109.15	1,117.33	994.25	976.51
ii) Capital Work in progress	16.07	64.11	37.32	-	-
b) Non- Current investments	195.82	195.82	203.41	228.41	19.34
c) Long Term Loans & Advances	1,189.36	782.35	558.97	338.43	396.07
d) Other Non-Current Assets	-	-	0.16	0.33	0.49
Total	2,644.93	2,151.43	1,917.19	1,561.42	1,392.42
Current Assets					
a) Inventories	246.43	428.90	660.09	251.80	323.48
b) Trade Receivables	1,018.70	1,201.90	1,052.21	659.28	617.62
c) Cash and Cash equivalents	114.26	79.65	80.18	245.74	258.32
d) Short-term loans and advances	53.18	104.02	33.21	43.45	35.91
Total	1,432.57	1,814.47	1,825.69	1,200.27	1,235.32
TOTAL	4,077.50	3,965.90	3,742.88	2,761.69	2,627.74

Annexure II: STATEMENT OF STANDALONE PROFIT AND LOSS ACCOUNT, AS RESTATED
(₹ In lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
REVENUE:					
Revenue from Operations (Net)	5,209.94	5,903.79	4,250.98	3,399.45	3,267.67
Other Income	137.67	120.14	140.03	122.16	51.24
Total revenue	5,347.61	6,023.93	4,391.01	3,521.60	3,318.91
EXPENSES:					
Cost of materials consumed	2,351.97	3,745.21	2,729.54	1,948.44	1,791.77
Changes in inventories of finished goods , WIP and stock - in trade	159.78	(29.66)	(157.05)	74.62	8.92
Employee benefits expense	230.95	214.22	178.91	116.48	79.43
Finance cost	48.53	61.78	58.80	38.13	35.30
Depreciation and amortization expense	92.66	81.94	78.47	73.84	88.90
Other expenses	888.51	856.85	682.49	664.97	720.42
Total expenses	3,772.40	4,930.34	3,571.17	2,916.49	2,724.75
Net Profit / (Loss) before Tax	1,575.21	1,093.59	819.84	605.12	594.16
Less: Provision for Tax					
Current tax as per income tax	538.00	361.70	257.00	190.59	195.26
Deferred tax adjustment	6.57	4.60	8.70	11.94	7.13
Short/Excess Provision for Tax for earlier years	-	-	-	-	-
Total	544.57	366.30	265.70	202.53	202.39
Net Profit / (Loss) for the period after tax but before extra-ordinary items	1,030.64	727.29	554.13	402.58	391.78
Extraordinary Items	-	-	-	-	-
Net Profit / (Loss) for the period after tax and after extra ordinary items avilable for appropriation	1,030.64	727.29	554.13	402.58	391.78
Less : Dividend	728.06	364.03	152.89	152.89	106.96
Dividend Distribution Tax	148.22	72.79	25.98	24.80	17.35
Net Profit transferred to Reserves	154.36	290.48	375.25	224.89	267.47

Annexure III: STANDALONE CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit after Tax	1,030.64	727.29	554.13	402.58	391.78
<u>Non cash items / items considered separately</u>					
Provision for Tax	544.57	366.30	265.70	202.53	202.39
Finance Cost	48.53	61.78	58.80	38.13	35.30
Interest Income	(10.05)	(4.07)	(5.34)	(1.42)	(2.36)
Dividend Income	(24.09)	(12.34)	(10.63)	(7.63)	(1.30)
Preliminary Expenses Written Off	-	0.16	0.17	0.17	0.17
(Profit) / loss on Sale of Fixed Asset/Investments	-	(10.47)	(4.00)	-	(1.05)
Depreciation	92.66	81.94	78.47	73.84	88.90
Operating profits before working capital changes	1,682.26	1,210.59	937.31	708.22	713.82
<u>Changes in Working Capital</u>					
Trade Receivables	183.20	(149.69)	(392.92)	(41.66)	(198.74)
Short Term Loans & Advances	50.85	(70.81)	10.24	(7.54)	248.91
Inventories	182.48	231.18	(408.29)	71.68	(114.73)
Short term borrowings	(674.66)	269.52	271.23	29.98	108.76
Trade Payables	273.83	(499.04)	62.40	234.37	(124.36)
Short term provision	3.54	3.64	6.03	1.72	5.83
Other current liabilities	0.53	1.79	0.58	0.78	(1.98)
Cash generated from operations	1,702.03	997.17	486.57	997.55	637.51
Cash flow from before extraordinary items					
Taxes Paid	(595.67)	(416.48)	(220.78)	(215.22)	(382.41)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,106.36	580.69	265.80	782.33	255.10
CASH FLOW FROM INVESTING ACTIVITIES					
Interest Income	10.05	4.07	5.34	1.42	2.36
Dividend Income	24.09	12.34	10.63	7.63	1.30
Investments in Equity Instruments and debentures	-	19.88		(209.07)	-
Sale proceeds of Investment / Fixed Assets	-	1.00	29.00	-	5.50
Long Term Loans and Advances Given	(1.92)	(2.17)	0.24	(6.76)	0.05
Purchase of Fixed Assets/ Changes in Capital Work in Progress	(179.16)	(117.77)	(238.87)	(91.59)	(89.33)
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(146.94)	(82.65)	(193.67)	(298.37)	(80.12)
CASH FLOW FROM FINANCING ACTIVITIES					
Shares Bought Back	-	-	-	(280.70)	-
Finance Cost	(48.53)	(61.78)	(58.80)	(38.13)	(35.30)
Dividend paid (including dividend distribution tax)	(876.28)	(436.82)	(178.88)	(177.70)	(124.31)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(924.81)	(498.59)	(237.68)	(496.53)	(159.61)
NET INCREASE IN CASH AND CASH EQUIVALENTS	34.61	(0.54)	(165.56)	(12.58)	15.37

<u>Cash & Cash Equivalent at the beginning of the year</u>	79.65	80.18	245.74	258.32	242.94
<u>Cash & Cash Equivalent at the end of the year</u>	114.26	79.65	80.18	245.74	258.32
NET INCREASE IN CASH AND CASH EQUIVALENTS	34.61	(0.54)	(165.56)	(12.58)	15.37

Annexure IV

1. **Basis of Presentation of Financial Statements:** The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
2. **Use of Estimates:** The preparation of financial statements in conformity with Indian GAAP requires the management to make 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
3. **Revenue Recognition:** Revenue is recognized to the extent that it is possible that economic benefits will flow to the Company and can be reliably measured. Revenue from sales of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recorded net of trade discounts, rebates, sales tax, value added tax, and gross of Excise Duty. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Dividend income is recognised when right to receive is established.
4. **Fixed Assets**

Tangible Fixed Assets: The fixed assets are stated at cost of acquisition, less accumulated depreciation and impairment loss, if any. Cost is inclusive of all expenditure of capital nature such as inward freight, duties & taxes (to the extent not recoverable), installation and commencing expenses and incidental expenses related to acquisition and costs to bring asset to its working condition. Adjustments arising if any from exchange rate variations attributable to fixed assets are capitalised. Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

Intangible Fixed Assets: Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated Amortization / depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

5. **Depreciation and Amortisation**

Tangible Assets: Depreciation on Fixed Assets is provided on Straight Line Method (SLM) method as per rates prescribed in Schedule II of the Companies Act, 2013, except in the respect of the following assets, where useful life of asset is different than those prescribed in Schedule II of the Act.

Particulars	Depreciation
Building	Over 28 years
Plant & Machinery	Over 18 years
Vehicle	Over 10 years
Leasehold land	Over period of lease

6. **Impairment of Assets:** An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement 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.
7. **Borrowing Cost (AS-16):** Borrowing costs include interests; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of

the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account. Capitalization of borrowing cost is suspended when active development is interrupted.

8. Valuation of Inventories: Inventories are valued at lower of Cost and Net Realizable Value after providing for obsolescence, if any. Inventories have been valued on the following basis:
 - a. Raw Materials, Packing Material, Stores and Spares - At lower of cost and net realizable value.
 - b. Work-in-Process - At lower of cost plus appropriate allocation of overheads and net realizable value.
 - c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.
9. Investments: Current investments are valued at cost or market value whichever is less. Long term investments are stated at cost less provision for permanent diminution in value if any, of investments.
10. Employee Benefits: Contributions to Provident Fund, which is defined contribution scheme, are charged to the Profit & Loss Account in the period in which the liability is incurred.
11. Taxation: Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.
12. Foreign Currency Transactions: Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement, except in case of long term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.
13. Provisions, Contingent Liability and Contingent Assets: Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates required to be settled the obligation at the Balance Sheet date. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.
14. Earnings Per Share:
 - a. Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
 - b. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
15. Segment Reporting as per AS 17
 - a. Business Segment as Primary Segment: The Company is considered to be a single segment Company engaged in Pharmaceuticals business, hence the disclosure requirement as per AS-17 'Business Segments as Primary ' is not attracted.

b. Geographical Segments as Secondary Segment:

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Segment Revenue					
Exports	2,310.84	2,324.26	1,265.98	1,282.15	1,269.01
India	2,899.10	3,579.53	2,985.00	2,117.30	1,998.66
Total	5209.94	5903.79	4250.98	3399.45	3267.67

Note: Segmental capital employed: Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that currently it is not practicable to provide segment disclosures relating to total assets and liabilities.

There are no Auditor's Qualifications in any of the audited Financial Statements as at and for the years ended as at March 31, 2016, 2015, 2014, 2013 and 2012

Annexure V

NOTES TO ACCOUNTS

i. Disclosures as per AS 15 for Gratuity liability

Defined Contribution Plans Amount of ₹ 10.39 Lakhs (P.Y. ₹ 7.92 Lakhs) towards Provident Fund is recognized as an expense & included in "Contribution to Provident and other funds" in the Profit and Loss Account.

Defined benefits plan and short term employment benefits

Gratuity (Defined Benefits plan)

The Company has a defined benefit gratuity plan. Every employee who has completed Five years of service gets a gratuity on death or resignation or retirement at 15 days of Salary (last drawn salary) for each completed year of service. The gratuity has been provided on the basis of valuation provided by the actuary, since gratuity has not been funded, no information as to assets has been disclosed. Further liability at the close of the year has been charged to profit & loss account.

Leave Encashment (Short term employment benefits)

Payment of all accumulated leave balance has been made at the year end. Gratuity is provided in the books on the basis of following assumptions :

(₹ in lakhs)

Date of Valuation	March 31, 2016
Retirement age	58 Years
Attrition Rate	2%
Future Salary Rise	5%
Rate of Discounting	7.96%
Mortality Table	IALM (2006-08) Ultimate

(₹ in lakhs)

Particulars	March 31, 2016
Gratuity Provision – Non current	19.33
Gratuity Provision – Current	0.94

ii. Earnings in Foreign Currencies

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
FOB value of exports	2,310.84	2,324.26	1,265.98	1,282.15	1,269.01

iii. Expenditure in Foreign Currencies

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Membership Fees	2.48	0.96	1.12	0.52	0.59
Demurrage Charges	1.05	-	1.50	-	-
Total	3.53	0.96	2.63	0.52	0.59

iv. Stores and Spares Consumption

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Imported	-	-	-	-	-
Indigenous	2.92	4.62	7.34	11.35	10.87
Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Imports %	-	-	-	-	-
Indigenous %	100%	100%	100%	100%	100%

vi. Value of Imports

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
CIF value of Imports	1,601.57	2,329.95	1,637.10	1,078.35	876.17

vii. Auditor's Remuneration

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Auditors Remuneration					
- Statutory Audit Fees	1.42	1.37	0.84	0.62	0.61
- Others	0.27	0.61	-	-	-
Total	1.69	1.97	0.84	0.62	0.61

ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

Regrouping done in Profit & Loss Account that affect the Net Profit after Tax

F.Y. 2011-12, 2012-13, 2013-14 and 2014-15

Certain items of assets were classified as investment properties. The same have been restated to conform to latest accounting treatment i.e. included as fixed assets. Accordingly, depreciation pertaining to earlier years has been charged in Restated Financial Statements.

F.Y. 2015-16 and 2012-13

Upon completion of assessment and finalisation of tax liability, certain amounts in nature of Short / excess provision for taxes were included in tax expense of these years. These expenses have been restated to be included in the year pertaining to which the tax expense related to.

Table 1 – Depreciation & Amortisation

(₹ in lakhs)

Particulars	For the year ended March 31,			
	2015	2014	2013	2012
Depreciation and Amortization expense	81.62	78.15	73.53	88.58
Add: Depreciation charged on Assets earlier grouped as Investments	0.32	0.32	0.32	0.32
Depreciation and Amortization expenses as per Restated Financial Statements	81.94	78.47	73.85	88.90

Table 2 – Profit after tax

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Profit after Tax as per Audited Financials	1,024.47	727.61	554.45	395.94	392.10
Changes made in Restated Financials					
Less: Depreciation charged	-	(0.32)	(0.32)	(0.32)	(0.32)
Add: Prior year's depreciation on asset earlier considered as Investment property	2.74				
Add: Net short/ Excess provision for Tax adjustment	3.43	-	-	6.97	-
Profit after Tax as per Restated Financials	1,030.64	727.29	554.13	402.58	391.78

Other Regrouping done in Balance Sheet – Liabilities

FY 2011-2012, 2012-2013, 2013-2014 and 2014-2015

Where total taxes paid in advance are more than total provision for tax, the amounts were disclosed as current asset / liability. The same has been restated to be disclosed as non – current asset / liability in line with latest groupings.

F.Y. 2015-16 and 2012-13

Upon completion of assessment and finalisation of tax liability, certain amounts in nature of Short / excess provision for taxes were included in tax expense of these years. The provision for tax of respective years have been adjusted to reflect correct provision amount that was determined upon assessment.

F.Y 2011-2012

Certain provisions for employee benefit expenses were being grouped under Other Current liabilities. These have now been regrouped under short term provisions to comply with latest groupings.

The effect of above restatements on Long term provisions, other current liabilities and short term provisions are detailed below:

Table 3 – Long term provisions

(₹ in lakhs)

Particulars	For the year ended March 31,			
	2015	2014	2013	2012
Long term provisions as per Audited Financial Statements	-	-	-	-
Add: Provision for Tax regrouped as per latest grouping	805.86	639.42	382.42	464.49
Add: Short/Excess provision for tax adjustment	3.43	3.43	3.43	10.40
Long Term Provisions as per Restated Financial Statements	809.29	642.85	385.85	474.89

Table 4 – Other current liabilities

(₹ in lakhs)

Particulars	For the year ended March 31,			
	2015	2014	2013	2012
Other current liabilities as per Audited Financial Statements	14.57	12.79	12.20	17.25
Less: Amount reclassified as Short term provisions	-	-	-	(5.83)
Other current liabilities as per Restated Financial Statements	14.57	12.79	12.20	11.42

Table 5 – Short term provisions

(₹ in lakhs)

Particulars	For the year ended March 31,			
	2015	2014	2013	2012
Short term provisions as per Audited Financial Statements	823.48	653.40	390.37	464.88
Add: Amount reclassified as Short term provisions	-	-	-	5.83
Less: Amount classified as Long term provisions	(805.86)	(639.42)	(382.42)	(464.49)
Short Term Provisions as per Restated Financial Statements	17.62	13.98	7.95	6.23

RESERVES AND SURPLUS

Table 6 – Reserves & surplus

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Reserves and Surplus as per Audited Financials	1,911.23	2,109.99	1,833.60	1,458.02	1,514.11
Changes made in Restated Financials					
Net impact on P&L Account as per table 2 above(a)	6.16	(0.32)	(0.32)	6.64	(0.32)
Net impact on reserves & Surplus b/f from previous year(b)	(6.16)	(5.84)	(5.52)	(12.16)	(11.84) ¹
Net impact on reserves & Surplus c/f to next year(b-a)	(0.00)	(6.16)	(5.84)	(5.51)	(12.16)

Reserves and Surplus as per Restated Financials	1,911.23	2,103.83	1,827.76	1,452.51	1,501.95
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⁽¹⁾Short /excess provision for tax ₹ 10.40 lakhs + Accumulated depreciation ₹ 1.44 lakhs

Other Regrouping done in Balance Sheet – Assets

F.Y. 2011-2012, 2012-2013, 2013-2014 and 2014-2015

Certain non – current advances and deposits were grouped as short term loans and advances. The same have been restated and grouped as long term loans and advances to comply with latest grouping.

F.Y. 2011-12, 2012-13, 2013-14 and 2014-15

Certain items of assets were classified as investment properties. The same have been restated to conform to latest accounting treatment i.e. included as fixed assets. Accordingly, the balance of Non – Current Investments and Tangible Fixed Assets have been restated.

The effect of above restatements on tangible fixed assets, non – current investments, long term loans and advances and short term loans and advances are detailed below:

Table 7 – Tangible Fixed assets

Particulars	For the year ended March 31,			
	2015	2014	2013	2012
Tangible Fixed Assets as per Audited Financial statements	1092.06	1099.92	976.52	958.45
Add: WDV of assets earlier considered as Investment properties	17.08	17.41	17.73	18.05
Tangible Fixed Assets as per Restated Financial statements	1109.15	1117.33	994.25	976.51

(₹ in lakhs)

Table 8 – Non Current Investment

Particulars	For the year ended March 31,			
	2015	2014	2013	2012
Non-Current Investment as per Audited Financial statements	215.64	223.23	248.23	39.16
Less: Assets earlier grouped under Investment property	(19.82)	(19.82)	(19.82)	(19.82)
Non-Current Investment as per Restated Financial statements	195.82	203.41	228.41	19.34

(₹ in lakhs)

Table 9 – Long term loans & advances

Particulars	For the year ended March 31,			
	2015	2014	2013	2012
Long term Loans and Advances as per Audited Financial statements	22.36	20.19	20.43	13.67
Add:Taxes paid in advance earlier grouped as short term loans and advances	759.99	538.78	318.00	382.41
Long term Loans and Advances as per Restated Financial statements	782.35	558.97	338.43	396.07

(₹ in lakhs)

Table 10 – Short term loans & advances

Particulars	For the year ended March 31,			
	2015	2014	2013	2012
Short term Loans and Advances as per Audited Financial	864.01	571.98	361.45	418.31

(₹ in lakhs)

statements				
Less:Taxes paid in advance earlier now grouped as long term loans and advances	(759.99)	(538.78)	(318.00)	(382.41)
Short term Loans and Advances as per Restated Financial statements	104.02	33.21	43.45	35.91

Annexure VI - STATEMENT OF SHARE CAPITAL, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Authorised Share Capital :					
40,00,000 Equity Shares of ₹ 10 each	400.00	-	-	-	-
750000 Equity Shares of ₹ 10 each	-	75.00	75.00	75.00	75.00
	400.00	75.00	75.00	75.00	75.00
Issued Subscribed and Paid Up Capital :					
Equity Shares of ₹10 each fully paid up	364.03	36.40	36.40	36.40	42.78
No of Equity Shares Fully Paidup	36.40	3.64	3.64	3.64	4.28
Total	364.03	36.40	36.40	36.40	42.78

Reconciliation of number of shares outstanding:

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Equity Shares					
At the beginning of the period	3.64	3.64	3.64	4.28	4.28
Addition during the period	32.76	-	-	-	-
Shares bought back during the year	-	-	-	0.64	-
Outstanding at the end of the period	36.40	3.64	3.64	3.64	4.28

Buy-Back of Shares during last five years:

63,796 Equity Shares of ₹ 10/- each had been bought back in the Financial Year 2012-13, in compliance with the rules made under the Private Limited Company and Unlisted Public Limited Company (Buyback of Securities) Rules, 1999.

Annexure VII - STATEMENT OF RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Surplus					
Balance as at the beginning of the year	1,860.37	1,657.06	1,337.25	1,432.66	1,204.40
Add : Profit / (Loss) for the year	1,030.64	727.29	554.13	402.58	391.78
Less: Deductions/ Adjustments					
Dividend on Equity Shares	(728.06)	(364.03)	(152.89)	(152.89)	(106.96)
Tax on Dividend	(148.22)	(72.79)	(25.98)	(24.80)	(17.35)
Transfer to General Reserve	(104.09)	(72.76)	(55.45)	(39.59)	(39.21)
Capital Redemption Reserve	-	-	-	(6.38)	-
Transfer for Buyback of Shares	-	-	-	(274.32)	-
Utilised for Issue of Bonus Shares	(84.16)	-	-	-	-
Adjustment as per Schedule II of Companies Act 2013.	-	(14.40)	-	-	-
Adjustment for employee benefits as per Para 143 of AS 15	(19.33)	-	-	-	-
Balance as at the end of the year (a)	1,807.15	1,860.37	1,657.06	1,337.25	1,432.66

Capital Redemption Reserve					
Balance as at the beginning of the year	22.91	22.91	22.91	16.53	16.53
Less: Issue of shares	(22.91)	-	-	-	-
Add: Profit/ (Loss) for the year	-	-	-	6.38	-
Balance as at the end of the year (b)	-	22.91	22.91	22.91	16.53
General Reserve					
Balance as at beginning of the year	220.55	147.79	92.35	52.75	13.54
Add: Additions	104.09	72.76	55.45	39.59	39.21
Less: Deductions	220.56	-	-	-	-
Balance as at the end of the year (c)	104.08	220.55	147.79	92.35	52.75
Total (a + b + c)	1,911.23	2,103.84	1,827.76	1,452.51	1,501.95

Annexure VIII - STATEMENT OF FIXED ASSETS, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
TANGIBLE FIXED ASSETS					
Land					
Leashold 755/2906					
Opening Balance	17.56	17.56	17.56	17.56	17.56
Addition during the year	-	-	-	-	-
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	5.40	5.23	-	-	-
Closing Balance	12.16	12.33	17.56	17.56	17.56
Leasehold 752/753/754					
Opening Balance	135.38	127.79	-	-	-
Addition during the year	-	7.60	127.79	-	-
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	1.99	-	-	-	-
Closing Balance	133.39	135.38	127.79	-	-
Building					
Opening Balance	133.95	133.95	133.95	133.95	127.51
Addition during the year	92.75	-	-	-	6.43
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	41.35	36.22	32.12	28.03	23.93
Closing Balance	185.35	97.73	101.82	105.92	110.02
Plant & Machinery					
Opening Balance	1,395.66	1,334.71	1,269.50	1,179.67	1,118.85
Addition during the year	130.87	60.96	65.21	89.82	60.82
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	659.71	581.64	510.30	440.84	376.28
Closing Balance	866.83	814.03	824.41	828.66	803.39
Electrification					
Opening Balance	8.20	8.05	7.83	7.83	7.83
Addition during the year	1.41	0.15	0.22	-	-
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	4.12	3.42	1.40	1.39	0.98
Closing Balance	5.49	4.77	6.65	6.44	6.85

Lab Equipment					
Opening Balance	8.49	8.49	8.49	8.49	8.49
Addition during the year	0.32	-	-	-	-
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	5.98	5.37	2.46	2.46	2.02
Closing Balance	2.83	3.11	6.02	6.02	6.47
Furniture & Fixtures					
Opening Balance	3.83	3.83	3.79	3.14	3.14
Addition during the year	1.05	-	0.04	0.65	-
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	2.62	2.66	1.30	1.06	0.85
Closing Balance	2.26	1.57	2.53	2.73	2.29
Computer Systems					
Opening Balance	9.39	8.59	6.04	5.69	5.15
Addition during the year	0.77	0.80	2.55	0.35	0.54
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	8.89	8.68	6.00	4.72	3.78
Closing Balance	1.27	0.71	2.58	1.32	1.91
Office Equipments					
Opening Balance	7.19	4.22	4.22	3.45	3.45
Addition during the year	-	2.97	-	0.76	-
Reduction during the year	-	-	-	-	-
Accumulated Depreciation	4.97	4.06	1.14	0.94	0.75
Closing Balance	2.22	3.13	3.08	3.28	2.71
Vehicles					
Opening Balance	47.52	37.13	31.39	31.39	19.25
Addition during the year	-	18.52	5.74	-	21.53
Reduction during the year	-	8.13	-	-	9.39
Accumulated Depreciation	15.64	11.13	12.25	9.06	6.08
Closing Balance	31.88	36.39	24.88	22.33	25.31
Total [a]	1,243.67	1,109.16	1,117.33	994.25	976.51
CAPITAL WORK IN PROGRESS					
Opening Balance	64.11	37.32	-	-	-
Addition during the year	16.07	26.79	37.32	-	-
Reduction during the year	64.11	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Closing Balance	16.07	64.11	37.32	-	-
Total [b]	16.07	64.11	37.32	-	-
Net Block [a+b]	1,259.75	1,173.27	1,154.65	994.25	976.51

Annexure IX - STATEMENT OF LONG-TERM INVESTMENTS, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Investment in Equity Instruments					

2,35,000 Equity Shares of Aarti Industries Limited each fully paid up	195.82	195.82	-	-	-
2,50,000 Equity Shares of Aarti Industries Ltd. each fully paid up	-	-	203.41	203.41	-
40,000 Eq. Shares of Aarti Industries Ltd each fully paid up	-	-	-	-	19.34
Investments in Debentures					
25 Debentures of Citicorp Finance of ₹ 100000 each	-	-	-	25.00	-
Total (B)	195.82	195.82	203.41	228.41	19.34
Market Value of Quoted investments	1211.31	824.38	306.74	201.38	24.20

Annexure X - STATEMENT OF LONG TERM LOANS & ADVANCES, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Unsecured					
Security Deposit	10.66	10.65	10.50	10.50	3.66
Other Loans & advances	5.50	5.54	3.04	3.28	3.35
Loans and advances to related parties	8.12	6.17	6.65	6.65	6.65
Advance Tax & Tax Deducted at Source (Direct Tax)	1,165.07	759.99	538.78	318.00	382.41
Total	1,189.36	782.35	558.97	338.43	396.07
Other Non- Current Assets					
Others	-	-	0.16	0.33	0.49
Total	-	-	0.16	0.33	0.49

Long term loans and advances given to Directors/Promoters/ Group Companies of issuer:

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Long term loans and advances	8.12	6.17	6.65	6.65	6.65

Annexure XI - STATEMENT OF INVENTORIES, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Raw Material	152.05	174.06	436.93	185.02	183.18
Work-in-Progress	47.58	210.97	151.98	47.41	37.12
Finished Goods	33.50	29.89	59.23	6.75	91.66
Stores & Spares	2.50	3.00	2.50	3.00	2.88
Packing Materials	10.79	10.98	9.45	9.63	8.64
	246.43	428.90	660.09	251.80	323.48

Annexure XII - STATEMENT OF TRADE RECEIVABLES, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Trade Receivables					
O/s more than 6 months	0.42	2.62	4.18	8.96	9.57
Others	1018.28	1199.28	1048.03	650.32	608.05
Total	1018.70	1201.90	1052.21	659.28	617.62

Trade Receivables related to Directors/Promoters/ Group Companies of issuer:

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Trade Receivables	34.15	64.26	-	-	-

Annexure XIII - STATEMENT OF CASH & CASH EQUIVALENTS , AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Balances with banks-In current accounts	65.65	42.97	31.13	209.18	239.81
Cash on Hand	6.95	5.86	7.13	3.75	0.92
Fixed deposit with banks	41.67	30.82	41.93	32.80	17.58
Total	114.26	79.65	80.18	245.74	258.32

Annexure XIV - STATEMENT OF SHORT TERM LOANS & ADVANCES, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Unsecured (considered good)					
Security Deposits	-	0.01	0.15	-	-
Advances recoverable in cash or kind					
Advance to Suppliers	9.57	62.13	8.11	10.04	13.63
Advance to Staff / Workers	10.36	11.08	6.79	6.74	4.60
Balance With Revenue Authorities (Indirect Taxes)	22.55	27.87	9.42	21.40	13.76
Prepaid Expenses	8.78	2.73	8.74	5.28	3.91
Interest Receivable	1.92	0.20	-	-	-
Total	53.18	104.02	33.21	43.45	35.91

Short term loans and advances given to Directors/Promoters/ Group Companies of issuer:

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Short term loans and advances	-	-	-	-	-

Annexure XV - STATEMENT OF LONG TERM LIABILITIES AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Deferred Tax Liability (Net)					
Opening	143.33	138.73	130.03	118.09	110.96
Add: Current year provision	6.57	4.60	8.70	11.94	7.13
Total	149.90	143.33	138.73	130.03	118.09

Annexure XVI - STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Secured					
Working capital from banks	97.13	438.83	71.27	67.04	53.76
Packing Credit	-	122.96	-	-	-
Total (a)	97.13	561.79	71.27	67.04	53.76
Unsecured					
From Related Parties	-	210.00	431.00	164.00	147.30

Total (b)	0.00	210.00	431.00	164.00	147.30
Total (a + b)	97.13	771.79	502.27	231.04	201.06

Unsecured loans taken by the issuer from Directors/Promoters/ Group Companies of issuer

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Unsecured Loans	-	210.00	431.00	164.00	147.30

Note: For details of the Terms of Sanction, Maturity and other details of Secured Loans please see the Schedule I – “Financial Indebtedness” attached along with this Restated Financials.

Annexure XVII - STATEMENT OF TRADE PAYABLES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Sundry Creditors-Materials/Goods	328.82	48.47	536.02	475.84	253.72
Sundry Creditors-Expenses	14.07	20.59	32.09	29.87	17.62
Total	342.89	69.07	568.11	505.71	271.34

Annexure XVIII - STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Statutory Dues	14.53	14.03	12.27	5.04	4.09
Other Payable	0.57	0.54	0.52	7.16	7.33
Total	15.10	14.57	12.79	12.20	11.42

Annexure XIX - STATEMENT OF LONG TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Provision for Gratuity	19.33	-	-	-	-
Provision for Taxation	1,156.70	809.29	642.85	385.85	474.89
Total	1,176.03	809.29	642.85	385.85	474.89

Annexure XX - STATEMENT OF SHORT TERM PROVISIONS , AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Provision for Employee Related Liabilities	21.19	17.62	13.98	7.95	6.23
Total	21.19	17.62	13.98	7.95	6.23

Annexure XXI - STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Revenue from Operations					
Sales	5475.73	6238.05	4504.85	3558.40	3402.23
Less: Taxes on sale	(265.79)	(334.27)	(253.87)	(158.96)	(134.56)
Total	5209.94	5903.79	4250.98	3399.45	3267.67

Annexure XXII - STATEMENT OF OTHER INCOME, AS RESTATED
(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Interest Income	10.05	4.07	5.34	1.42	2.36
Dividend Income	24.09	12.34	10.63	7.63	1.30
Net Gain on Foreign Currency Transaction	83.83	79.60	120.06	113.11	46.53
Profit on sale of Fixed Assets / Investments	-	12.29	4.00	-	1.05
Sale of Licence	19.70	10.69	-	-	-
Misc. Income	0.01	1.14	-	-	-
Total	137.67	120.14	140.03	122.16	51.24

Annexure XXIII - STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) Key Managerial Personnel

For the year ended March 31,				
2016	2015	2014	2013	2012
Arvind K Chheda	Arvind K Chheda	Arvind K Chheda	Arvind K Chheda	Arvind K Chheda
Hemchand L Gala	Hemchand L Gala	Hemchand L Gala	Hemchand L Gala	Hemchand L Gala
Vicky H Gala	Vicky H Gala	Vicky H Gala	Vicky H Gala	Vicky H Gala
Vishnu J Sawant	Vishnu J Sawant	Vishnu J Sawant	Vishnu J Sawant	Vishnu J Sawant

(ii) Relatives of KMPs

For the year ended March 31,				
2016	2015	2014	2013	2012
Beena Gala	Beena Gala	Beena Gala	Beena Gala	Beena Gala
MeenaChheda	MeenaChheda	MeenaChheda	Arvind K Chheda HUF	Hemchand L Gala HUF
Dhanvanti H Gala	Dhanvanti H Gala	Dhanvanti H Gala	Dhanvanti H Gala	Dhanvanti H Gala
			Hemchand L Gala HUF	

(iii) Particulars of Transactions with Related Parties
Key Management Personnel
(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
1) Finance					
Loan Taken/(Repaid)	(210.00)	(171.00)	217.00	16.70	55.00
2) Income					
Interest received	0.91	-	-	-	-
3) Expenses					
Remuneration	89.90	79.02	62.77	36.65	21.71
Interest Paid	18.33	18.13	34.95	15.44	14.87
3) Payment for Buy Back of Shares	-	-	-	86.21	-
4) Out standing					
Receivables	9.04	6.17	6.65	6.65	6.65

Payables	-	210.00	381.00	164.00	145.00
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Relatives of KMPs & Associates / Enterprises over which directors and / or their relatives has significant influence
(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
1) Finance					
Loan Taken	-	(50.00)	50.00	-	-
2) Expenses					
Commission	8.98	8.76	1.95	1.60	1.32
Interest Paid	-	0.67	2.70	0.12	0.28
3) Out standing					
Payables	-	-	50.00	-	2.30
4) Buy Back of Shares	-	-	-	54.14	-

Annexure XXIV - STATEMENT OF CAPITALIZATION
(₹ in lakhs)

Particular	Pre Offer (as at March 31, 2016)	Post Offer
Debt		
Long Term Debt	-	-
Short Term Debt	97.13	97.13
Total Debts (A)	97.13	97.13
Equity (Shareholder's funds)		
Equity share capital	364.03	364.03
Reserve and Surplus ⁽¹⁾	1,911.23	1,911.23
Total Equity (B)	2,275.26	2,275.26
Long Term Debt / Equity Shareholder's funds	-	-
Total Debts / Equity Shareholder's funds	0.04	0.04

Annexure XXV - STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Letters of Credits, Bank Guarantees & Bills discounted	331.03	257.55	344.29	78.44	-
Estimated Amount of contracts to be executed on capital accounts (net of advances)	14.57	19.77	4.24	4.24	-
Total	345.59	277.31	348.53	82.68	-

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years except:

Company has adopted the Accounting Standard 15 (Revised) Employee Benefits for accounting the gratuity expenses based on the actuarial valuation as on the date of balance sheet w. e. f. the period ended March 31, 2016, as against the earlier practice of accounting for the gratuity on payment basis. However, due to the non-availability of data and the representation by the management that the liability for the earlier years is not material in nature, we have not made any adjustment or provision for the same in the Restated Financial Statements.

CHANGE IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

Annexure XXVI - STATEMENT OF DIVIDEND DECLARED, AS RESTATED

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
On Equity Shares					
Number of Fully Paid up Shares	36,40,320	3,64,032	3,64,032	3,64,032	4,27,828
Face Value (₹)	10.00	10.00	10.00	10.00	10.00
Paid up Value per Share (₹)	10.00	10.00	10.00	10.00	10.00
Rate of Dividend	200%	1000%	420%	420%	250%
Dividend Amount	728.06	364.03	152.89	152.89	106.96
Corporate dividend tax on above	148.22	72.79	25.98	24.80	17.35
Dividend Amount per Share (₹)	20.00	100.00	42.00	42.00	25.00

Annexure XXVIII - STATEMENT OF ACCOUNTING RATIOS, AS RESTATED
(₹ in lakhs)

Particulars		For the year ended March 31,				
		2016	2015	2014	2013	2012
Restated Net Profit After Tax	A	1,030.64	726.97	553.81	402.26	391.45
Net Worth	B	2,275.26	2,137.41	1,861.66	1,486.74	1,542.88
No. of Equity shares outstanding at the end of the year	C	36,40,320	3,64,032	3,64,032	3,64,032	4,27,828
Actual No. of Equity shares outstanding during the year (Refer Note No. 2 below)	D	36,40,320	3,64,032	3,64,032	3,68,402	4,27,828
Weighted average No. of Equity shares outstanding during the year (Refer Note No.2 and 3 below)	E	36,40,320	36,40,320	36,40,320	36,84,016	42,78,280
Basic Earnings Per Share (₹) (Without Bonus Effect)	A / D	28.31	199.70	152.13	109.19	91.50
Basic Earnings Per Share (₹) (With Bonus Effect)	A / E	28.31	19.97	15.21	10.92	9.15
Return on Net worth (%)	A / B	45.30%	34.01%	29.75%	27.06%	25.37%
Net Asset Value per Equity Share (₹)	B / C	62.50	587.15	511.40	408.41	360.63

Notes to Accounting Ratios:

1) The Ratios have been computed as follows:

a) Basic Earnings Per Share (₹) (Without Bonus Effect)	<div>Net Profit After Tax as restated</div> <hr/> <div>Actual Number of Equity Shares outstanding during the year</div>
b) Basic Earnings Per Share (₹) (With Bonus Effect)	<div>Net Profit After Tax as restated</div> <hr/> <div>Weighted Average Number of Equity Shares outstanding during the year</div>

c) Return on Net worth (%)	<div>Net Profit After Tax as restated</div> <div>-----</div> <div>Net Worth</div>
d) Net Asset Value Per Equity Share (₹)	<div>Net Worth</div> <div>-----</div> <div>No. of Equity shares outstanding at the end of the year</div>

- 2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares buy-back during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- 3) Earnings Per Share is calculations are in accordance with Accounting Standard (AS) 20 - Earning per share, notified under the Companies (Accounting Standard) Rules 2006, as amended. The Company has allotted 32,76,288 bonus shares on August 01, 2015 in the ratio of 9 new fully paid up equity shares of ₹ 10/- each for every 1 equity shares held.
- 4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
- 5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year. The above statements should be read with the Notes to Restated Financial Statements.

Annexure XXVIII - STATEMENT OF TAX SHELTER

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2016	2015	2014	2013	2012
Normal Corporate tax rates (%)	34.61%	33.99%	32.44%	32.44%	32.44%
Minimum alternative tax rates	21.34%	20.96%	20.01%	20.01%	20.01%
Profit before tax as per Restated P/L	1,575.21	1,093.59	819.84	605.12	594.16
Applicable Corporate tax Rate	34.61%	33.99%	32.44%	32.44%	32.44%
Notional tax as per tax rate on profits (A)	545.15	371.71	265.95	196.30	192.75
Tax Adjustment					
Permanent Difference					
Disallowance under section 37	20.26	13.51	16.87	27.16	10.90
Disallowance as per section 14A	0.98	1.02	-	-	0.10
Donations allowable u/s 80G	(8.63)	(6.56)	(7.50)	(12.50)	(5.00)
Income exempt u/s 10	(24.09)	(24.63)	(12.94)	(7.63)	(1.30)
Total Permanent Difference (B)	(11.47)	(16.66)	(3.57)	7.04	4.70
Timing Difference					
Depreciation as Per Books	92.66	81.94	78.47	73.84	88.90
Depreciation Income Tax Act	(124.15)	(96.91)	(104.97)	(110.33)	(110.54)
(Profit) / loss on sale of asset	-	1.82	-	-	(1.05)
Disallowance u/s 43B / 40A(7)	3.26	0.23	2.49	1.18	0.85
Total Timing Difference (C)	(28.23)	(12.91)	(24.02)	(35.30)	(21.84)
Business Losses not set off in past years (D)	-	-	-	-	-
Total Adjustment (E) = (B+C+D)	(39.70)	(29.57)	(27.59)	(28.27)	(17.14)
Tax Expenses / (Saving) thereon (F) = (E)* Tax rate	(13.74)	(10.05)	(8.95)	(9.17)	(5.56)
Income From Other Sources (G)	-	-	-	-	-
Taxable Income / (Loss) H = (A+E+G)	1,535.51	1,064.03	792.25	576.85	577.02
Tax Rate as per normal provisions	34.61%	33.99%	32.44%	32.44%	32.44%

Tax payable as per normal provisions (other than 115JB) of the Act (G)	531.41	361.66	257.01	187.13	187.19
Taxable income as per MAT	1,549.37	1,518.39	809.53	598.56	593.84
MAT tax rate (H)	21.34%	20.96%	20.01%	20.01%	20.01%
Tax under MAT (I)	330.66	318.26	161.99	119.77	118.83
Tax payable for the year maximum of (G) or (I)	531.41	361.66	257.01	187.13	187.19
Interest as per Income tax	7.12	8.56	9.32	3.44	8.05
Total Tax as per Return	538.53	370.22	266.33	190.57	195.24
Tax paid as per	Normal Provisions	Normal Provisions	Normal Provisions	Normal Provisions	Normal Provisions

Notes:

The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account'

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Business Overview

Valiant Organics Ltd. is a chemical manufacturing company with focus on manufacturing and marketing of different types of chlorophenol which is a chemical which has several applications mainly into agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs. We operate a single location manufacturing facility at Sarigam Industrial Estate having an installed capacity of 4,800 metric tonnes per annum.

This business was originally begun in the year 1984 as a partnership concern in the name and style of Valiant Chemical Corporation and our company was incorporated as a private limited company in 2005 with an object to acquire this partnership firm and subsequently the business is being run in our company. In 2015, our company was further converted into public limited company.

Our factory is well equipped with latest technology and advanced instruments in order to meet the international standards of quality which is well accepted not only by Indian customers, but also by our overseas customers in Europe, United States of America and Asia. We also offer customised specification of Chlorophenols as per the customer needs. Our manufacturing unit is strategically located at Sarigam in Umbergaon Taluka in Valsad District which is approximately at a distance of 180 kms. from our main export port - NhavaSheva Port (JNPT) and approximately 155 kms. From our office in Mumbai.

Over the years we have built our goodwill amongst our customers and export markets and we believe the demand for our products are more than our supply capacity, hence, we have begun the process of applying with the government agencies to augment our production capacities upto 21,600 metric tonnes over the next few years in a phased manner. We believe that these expansion activities would be financed through our owned Networth and internal accruals or certain amount of banking facilities or a combination of the same.

COMPETITION

There are very few manufacturers of chlorophenol in India. We see Chinese manufacturer as our primary competitors. We face competition from other country manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, needs, and customer convenience.

Significant Developments after March 31, 2016 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Factors affecting our Result of Operation

Except as otherwise stated in this Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others

Revenue Generation

We earn majority of our revenue from manufacture and sale of chlorophenols. Currently we operate a single manufacturing unit at Sarigam Industrial Estate having an installed capacity of 4,800 metric tonnes per annum. Chlorophenol is a chemical which has several applications mainly into agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs.

We have a robust marketing team allocated amongst different units, each handled by well trained Managers who are in turn headed by the Board of Directors.

Raw Material Cost

Raw Material costs are the largest component of our cost structure. Major raw materials required during the entire manufacturing process of chlorophenols are chlorine gas and phenol. Further, caustic soda is also used as consumables in the process. The Company also requires steam for the boiler usage. Plastic drums and HMHDPE bags are used as packing material. Our total raw material purchases in the last three years constitute approx. 45%, 63% and 64% of our turnover.

Chlorine gas available locally and the major requirements of the same is currently procured from Gujarat Alkalies and Chemicals Limited. Phenol is imported from various countries, namely Hong Kong, Singapore, United States of America, etc. Caustic soda is procured from locally available sources. Steam for the boiler usage is purchased from our Group entity – Aarti Industries Limited. For the F. Y. 2015-16, we have imported approximately 69.29% of our total raw material procured compared to approximately 30.71% procured from the domestic market.

Our Financial Expenses

We have term loan and working capital facilities from our bankers. Our profitability is significantly impacted by our financial costs. For the fiscal 2016, 2015 and 2014, our financial expenses were ₹ 48.53 lakhs, ₹ 61.78 lakhs, and ₹ 58.80 lakhs. Our financial growth depends on how well we manage and service our debts.

Our ability to successfully implement its strategy and its growth and expansion plans

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

Increasing competition in the industry

Our Company faces competition mainly from Chinese manufacturers. Our Company operates in competitive environment facing competition from other country manufacturers which may force us to reduce the prices of our products and it may have an effect on our margins.

General economic and business conditions

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect chemical industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

RESULTS OF OUR OPERATIONS

(₹ in lakhs)

Particulars	Financial Year Ended							
	Mar-16	% of Total Income	Mar-15	% of Total Income	Mar-14	% of Total Income	Mar-13	% of Total Income
REVENUE:								
Revenue from Operations	5,209.94	97.43%	5,903.79	98.01%	4,250.98	96.81%	3,399.45	96.53%
Other Income	137.67	2.57%	120.14	1.99%	140.03	3.19%	122.16	3.47%
Total revenue	5,347.61	100.00%	6,023.93	100.00%	4,391.01	100.00%	3,521.60	100.00%
EXPENSES:								
Cost of materials consumed	2,351.97	43.98%	3,745.21	62.17%	2,729.54	62.16%	1,948.44	55.33%
Changes in inventories of finished goods , work -in - progress and stock - in trade	159.78	2.99%	(29.66)	-0.49%	(157.05)	-3.58%	74.62	2.12%
Employee benefits expense	230.95	4.32%	214.22	3.56%	178.91	4.07%	116.48	3.31%
Finance cost	48.53	0.91%	61.78	1.03%	58.80	1.34%	38.13	1.08%
Depreciation and amortization expense	92.66	1.73%	81.94	1.36%	78.47	1.79%	73.84	2.10%
Other expenses	888.51	16.62%	856.85	14.22%	682.49	15.54%	664.97	18.88%
Total expenses	3,772.40	70.54%	4,930.34	81.85%	3,571.17	81.33%	2,916.49	82.82%
Net Profit / (Loss) before Tax	1575.21	29.46%	1,093.59	18.15%	819.84	18.67%	605.12	17.18%
Current tax as per income tax	538	9.81%	361.70	6.00%	257.00	5.85%	190.59	5.41%
Deferred tax adjustment	6.57	0.12%	4.60	0.08%	8.70	0.20%	11.94	0.34%
Total	544.57	9.93%	366.30	6.08%	265.70	6.05%	202.53	5.75%
Net Profit / (Loss) for the period after tax and after extra ordinary items	1,030.64	19.53%	727.29	12.07%	5554.13	12.62%	402.58	11.43%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations as a percentage of total income was 97.43%, 98.01% and 96.81% in fiscals 2016, 2015 and 2014 respectively.

Other Income

Our other income includes mainly interest on bank deposits, foreign exchange gain and dividend. Other income, as a percentage of total income was 2.57%, 1.99%, 3.19% in fiscals 2016, 2015 and 2014 respectively.

Expenditure

Our total expenditure primarily consists of Purchases (Cost of Materials), Employee Benefit Expenses, Finance cost, Depreciation & Amortisation Expenses and Other Expenses.

Purchases

Costs of Purchases are primarily in relation to purchases of raw materials like phenol and liq. chlorine, packing materials and other materials for the manufacturing of various products.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, staff welfare expenses, statutory contributions, etc.

Financial Cost

Financial Cost primarily consists of borrowing costs and interest payable on loans availed by our Company from various banks, financial institutions and entities and also includes Bank Charges.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets and Intangible Assets of our Company which primarily includes Plant and Machinery, Factory and Office Buildings, Vehicles, Furniture and fixtures, Computers, Laboratory Equipments, Office Equipments, Goodwill and technical knowhow.

Other Expenses

Other expenses primarily include Manufacturing expenses, Office and administrative expenses, Selling and distribution expenses, etc.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Fiscal 2016 compared with fiscal 2015

Income

In fiscal 2016, our total income decreased by ₹ 676.32 lakhs or 11.23%, from ₹ 6,023.93 lakhs in fiscal 2015 to ₹ 5,347.61 lakhs in fiscal 2016. The decrease in the year 2016 was due to lower revenue from sale of products as compared to last year as well as overall drop in commodity prices.

Other income increased by ₹ 17.53 lakhs or 14.59%, from ₹ 120.14 lakhs in fiscal 2015 to ₹ 137.67 lakhs in fiscal 2016. The major factor for such increase was due to rise in dividend income and interest income from deposits.

Purchases

The purchases in fiscal 2016 were ₹ 2,351.97 lakhs, a decrease of ₹ 1,393.24 lakhs or 37.20% as compared to the previous year purchases of ₹ 3,745.21 lakhs in fiscal 2015. The decrease was mainly due to considerable decrease in import value of raw material Phenol.

Employee Benefit Expenses

Our staff cost increased by ₹ 16.73 lakhs or 7.81%, from ₹ 214.22 lakhs in fiscal 2015 to ₹ 230.95 lakhs in fiscal 2016. This increase was mainly due to increase annual increments in Staff salaries, Staff welfare expenses and contribution to provident and other funds.

Financial Cost

Financial cost during the year decreased by ₹ 13.25 lakhs or 21.45% from ₹ 61.78 lakhs in fiscal 2015 to ₹ 48.53 lakhs in fiscal 2016. The decline was due to decrease in interest on fund based (long term and short term) facilities and other unsecured loans.

Depreciation and Amortization Expenses

Depreciation and Amortisation expenses increased by ₹ 10.72 lakhs, from ₹ 81.94 lakhs in fiscal 2015 to ₹ 92.66 lakhs in fiscal 2016. This increase was on account of increase in Fixed Assets like Plant and Machinery, laboratory equipments, furniture and fixtures, Computer systems and other assets and equipments.

Other Expenses

Other expenses increased by ₹ 31.66 lakhs or 3.70% from ₹ 856.85 lakhs in fiscal 2015 to ₹ 888.51 lakhs in fiscal 2016. The increase was due to increase in repairs and maintenance of plant and machinery and building, labour charges and office and administrative expenses during the year.

Profit before Tax

Due to better efficiency and effective cost management of our overall expenses, our Profit before tax increased by ₹ 481.62 lakhs from ₹ 1,093.59 lakhs in fiscal 2015 to ₹ 1575.21 lakhs in fiscal 2016.

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 303.35 lakhs or 41.71 %, from ₹ 727.29 lakhs in fiscal 2015 to ₹ 1,030.64 lakhs in fiscal 2016.

Fiscal 2015 compared with fiscal 2014

Income

Our total income increased by ₹ 1,632.92 lakhs or 37.19% from ₹ 4,391.01 lakhs in fiscal 2014 to ₹ 6,023.93 lakhs in fiscal 2015. The increase in income was due to increase in scale of our operations resulting in higher revenue from sale of products as compared to last year.

Other income decreased by ₹ 19.88 lakhs or 14.20%, from ₹ 140 .03 lakhs in fiscal 2014 to ₹ 120.14 lakhs in fiscal 2015. The reason for such decrease was reduction of income from foreign currency transaction in 2015.

Purchases

The purchases in fiscal 2015 increased by ₹ 1,015.66 Lakhs or 37.21% i.e. from ₹ 2,729.54 lakhs in fiscal 2014 to ₹ 3,745.21 lakhs in fiscal 2015. The above increase was majorly due to increase in our scale of operations.

Employee Benefit Expenses

Our staff costs increased by ₹ 35.31 lakhs or 19.73%, from ₹ 178.91 lakhs in fiscal 2014 to ₹ 214.22 lakhs in fiscal 2015. This increase was mainly due to increase annual increments in Staff salaries and contribution to provident and other funds.

Financial Cost

Financial cost during the year increased by ₹ 2.97 lakhs or 5.05% from ₹ 58.80 lakhs in fiscal 2014 to ₹ 61.78 lakhs in fiscal 2015. The increase was due to increase in interest on cash credit and other borrowing costs i.e. bank charges and bank commission

Depreciation Expenses

Depreciation expenses increased by ₹ 3.47 lakhs, from ₹ 78.47 lakhs in fiscal 2014 to ₹ 81.94 lakhs in fiscal 2015, mainly on account of increase in Fixed Assets like Plant and Machinery, Vehicles and aircraft, office equipments and computer systems and other assets and equipments.

Other Expenses

Other Expenses increased by ₹ 174.36 lakhs or 25.55% in fiscal 2015, from ₹ 682.49 lakhs in fiscal 2014 to ₹ 856.85 lakhs in fiscal 2015. The cause of increase was mainly due to increased manufacturing expenses and office and administrative expenses during the year.

Profit before Tax

PBT increased by ₹ 273.75 lakhs or 33.39% as compared from a profit of ₹ 819.84 lakhs in fiscal 2014 to a profit of ₹ 1,093.59 lakhs in fiscal 2015. Increase in our revenue is due to better management of our overall expenses and corresponding increase in our revenues.

Profit after Tax

After accounting for taxes at applicable rates, our profit after tax increased by ₹ 173.16 lakhs from ₹ 554.13 lakhs in fiscal 2014 to ₹ 727.29 lakhs in fiscal 2015.

Fiscal 2014 compared with fiscal 2013

Income

In fiscal 2014, we recorded a total income of ₹ 4,391.01 lakhs, an increase of ₹ 869.40 lakhs or 24.69% as compared to ₹ 3,521.60 lakhs in fiscal 2013. The increase in income was due to increase in scale of our operations resulting in higher revenue from sale of products as compared to last year.

Other income increased by ₹ 17.87 lakhs or 14.63%, from ₹ 122.16 lakhs in fiscal 2013 to ₹ 140.03 lakhs in fiscal 2014. The major factor for such increase was due to rise in dividend income, interest income from deposits and income from foreign currency transactions. Also, there was profit from sale of fixed assets which incurred in 2014.

Purchases

The purchases in fiscal 2014 increased by ₹ 781.11 or 40.09% from ₹ 1,948.44 lakhs in fiscal 2013 to ₹ 2,729.54 lakhs in fiscal 2014. The above increase was majorly due to increase in our scale of operations.

Employee Benefit Expenses

Our staff costs increased by ₹ 62.43 lakhs, from ₹ 116.49 lakhs in fiscal 2013 to ₹ 178.91 lakhs in fiscal 2014. This increase was mainly on account of increments of the existing staff and other employee welfare expenses.

Financial Cost

Financial cost during the year increased by ₹ 20.67 lakhs or 54.21% from ₹ 38.13 lakhs in fiscal 2013 to ₹ 58.80 lakhs in fiscal 2014. The increase was due to increase in interest and other borrowing costs on fund based (long term and short term) facilities, term loans and other unsecured loans.

Depreciation Expenses

Depreciation expenses increased by ₹ 4.63 lakhs, from ₹ 73.84 lakhs in fiscal 2013 to ₹ 78.47 lakhs in fiscal 2014 on account of increase Fixed Assets like Plant and Machinery, Furniture and fixtures, Vehicles, computer systems and other assets and equipments.

Other Expenses

Other expenses decreased marginally by ₹ 17.52 lakhs or 2.64%, from ₹ 664.97 lakhs in fiscal 2013 to ₹ 682.49 lakhs in fiscal 2014. The cause of increase was mainly due to increased manufacturing expenses and office and administrative expenses during the year.

Profit before Tax

Due to increased sales revenue our PBT increased by ₹ 214.72 lakhs or 35.48% as compared from a profit of ₹ 605.12 lakhs in fiscal 2013 to a profit of ₹ 819.84 lakhs in fiscal 2014.

Profit after Tax

After accounting for taxes at applicable rates, our profit after tax increased by ₹ 151.55 lakhs or 37.64% from a profit of ₹ 402.58 lakhs in fiscal 2013 to a profit of ₹ 554.13 lakhs in fiscal 2014.

Cash Flows

(₹ in lakhs)

Particulars	Year ended March 31,			
	2016	2015	2014	2013
Net Cash from Operating Activities	1106.36	580.69	265.80	782.33
Net Cash from Investing Activities	(146.94)	(82.65)	(193.67)	(298.37)
Net Cash used in Financial Activities	(924.81)	(498.59)	(237.68)	(496.53)
Net Increase / (Decrease) in Cash and Cash equivalents	34.61	(0.54)	(165.56)	(12.58)

Cash Flows from Operating Activities

Net cash from operating activities in fiscal 2016 was ₹ 1,106.36 lakhs as compared to the PBT of ₹ 1,575.21 lakhs for the same period. This difference is primarily on account of changes in trade receivables, inventories, other current assets and other current liabilities.

Net cash from operating activities in fiscal 2015 was ₹ 580.70 lakhs as compared to the PBT of ₹ 1,093.59 lakhs for the same period. This difference is primarily on account of changes in trade payables, trade receivables, inventories other current assets and other current liabilities.

Net cash from operating activities in fiscal 2014 was ₹ 265.80 lakhs as compared to the PBT of ₹ 819.84 lakhs for the same period. This difference is primarily on account of changes in trade receivable, trade payables, other current assets and other current liabilities.

Cash Flows from Investment Activities

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 146.94 lakhs. This was on account of purchase of fixed assets and Long Term Loans and Advances Given.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 82.65 lakhs. This was on account of purchase of fixed assets and Long Term Loans and Advances Given.

In fiscal 2014, the net cash invested in Investing Activities was negative ₹ 193.67 lakhs. This was on account of purchase of fixed assets.

Cash Flows from Financing Activities

Net cash from financing activities in fiscal 2016 was negative ₹ 924.81 lakhs. This was on account of decrease in long term borrowings and payment of interest paid and dividend.

Net cash from financing activities in fiscal 2015 was negative ₹ 498.59 lakhs. This was on account of payment of interest and dividend.

Net cash from financing activities in fiscal 2014 was negative ₹ 237.68. This was on account of payment of interest and dividend.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages nos. 113 and 138 respectively of this Draft Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 9 and 138 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 9 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which our Company operates.

The Company is a chemical manufacturing company with focus on manufacturing and marketing of different types of chlorophenol which is a chemical which has several applications mainly into agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs. Our Company operates under a single segment. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 61 of this Draft Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled “*Our Business*” beginning on page no. 72 of this Draft Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The revenues from our top 10 customers constituted approximately 74,78% for FY 2016.

10. Competitive Conditions

We are one of the major suppliers of chlorophenol in India. We face completion mainly from Chinese manufacturers as there are very few manufacturers of chlorophenol in India. We believe the principal elements of competition in chemical industry from manufacturers across the world are product range, product quality and product price including factors based on reputation, needs and customer convenience.

FINANCIAL INDEBTENESS

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2016 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

Nature of Borrowing	Amount (₹ in lakhs)
Secured Borrowings	97.13
Total	97.13

SECURED BORROWINGS

Working Capital Loan

(₹ in lakhs)

Sr. No.	Name of Lenders	Type of Credit Facility & Account No.	Date of Sanction of the Loan	Amount Sanctioned	Amount outstanding as on March 31, 2016	Interest rate (% per annum)	Security Details	Repayment Schedule for Outstanding Amount
1	Citi Bank ⁽¹⁾	Cash Credit / Working Capital / Demand Loan / LC / Buyers Credit / Export Finance	January 01, 2016	1300.00	97.13	13 %	See Note 1	Repayable on Demand

⁽¹⁾ Sub – limit for Usance LC is ₹ 1,300 Lakhs, Cash credit is ₹ 1,000 Lakhs, Sight LCs is ₹ 900 Lakhs, Export finance is ₹ 500 Lakhs, Working capital demand loans is ₹ 300 Lakhs and buyers credit is ₹ 200 Lakhs.

Note 1:

The Security offered for the above mentioned loan include Immovable Property, movable fixed assets and current assets, details of which are as mentioned below:

A. Secured Immovable Properties

- (i) Plot 2906 and 755, Village limits of Sarigam, GIDC, Valsad (Leasehold)
- (ii) 1st Floor, Udyog Kshetra, Goregaon Link Road, Mulund, Mumbai (Freehold)

B. Exclusive charge on Plant & Machinery and present & future fixed assets

C. Secured Current Assets

- (i) The present and future stocks and book debts of the borrower;

RESTRICTIVE / NEGATIVE COVENANTS

The above loan agreement includes various restrictive covenants in relation to certain actions to be undertaken by our Company and for which prior written approval of the Bank(s) is required. The major restrictive covenants (which require prior approval) are mentioned below:

1. Our Company shall not borrow additional funds without permission of the Bank and no fresh charge can be created without prior permission of the Bank ;

2. Our Company or any affiliate shall not issue any Guarantee of any kind without permission of the Bank;
3. Our Company shall not change equity, management or operating structure without permission of the Bank;
4. Our Company shall not declare dividend without prior permission of the Bank;
5. Our Company shall not utilise the proceeds for investment in shares, debentures advances and inter-corporate loans to other Companies (including subsidiary and group Companies).

SECTION – VII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoter and our Group Entities that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

Further, as except disclosed in this section, our Board of Directors do not consider any other outstanding litigation or past penalties involving our Company, Subsidiaries, Promoter, Group Companies and Directors as material as on the date of this Draft Prospectus. Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding ₹ 25,00,000 as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on June 27, 2016 .

CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (₹ in lakhs)
Letters of Credits, Bank Guarantees & Bills discounted	331.03
Estimated Amount of contracts to be executed on capital accounts (net of advances)	14.57

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Litigations involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

The Assistant Commissioner of Income-tax-15(3), Mumbai passed an Assessment Order dated March 13, 2008 under Section 143(3) of the Income-tax Act, 1961 (“**I.T. Act**”), inter-alia computing the total income of the Company, being the assessee, in respect of Assessment Year 2006-07. Subsequently, the Company preferred an appeal before the Commissioner of Income-tax (Appeals)-XV on April 22, 2008. [During the course of the said appellate proceedings, on December 31, 2008 it was proposed that the assessment of the assessee-Company be enhanced in respect of a claim of the Company for depreciation of ₹37,50,000/- (Rupees Thirty Seven Lakhs Fifty Thousand Only) for “know-how” and therefore, a Show Cause Notice dated December 31, 2008 bearing No. CIT (A)-XV/Show cause/IT-6/2008-09 was issued to the Company inter-alia requiring the Company to show cause as to why the claim of depreciation on know-how should not be disallowed and correspondingly, why income of the Company should not be enhanced.] Subsequently, the Commissioner of Income-tax (Appeals) -XV passed an order dated February 10, 2009, inter-alia directing the Assessment Officer to enhance the assessment by ₹37,50,000/- (Rupees Thirty Seven Lakhs Fifty Thousand Only) and also initiating separate penalty proceedings under Section 271(1)(c) read with Section 274 of the I.T. Act for furnishing incorrect particulars of income and

thereby concealing taxable income for the Assessment Year 2006-07. The Company thereafter, preferred an appeal before the Hon'ble Income-tax Appellate Tribunal and the said authority by and under an order dated May 21, 2010 set aside the order of the Commissioner of Income-tax (Appeals) –XV, being the first appellate authority. Subsequently, the Commissioner of Income-tax (Appeals) – 26, Mumbai passed an order dated June 01, 2012 inter-alia holding that enhancement of income by disallowing depreciation on technical know-how is not required. The Assistant Commissioner of Income-tax 10(3) thereafter preferred an appeal before the Hon'ble Income-tax Appellate Tribunal inter-alia praying that the order of the Commissioner of Income-tax (Appeals) – 26, Mumbai dated June 01, 2012 be set aside inter-alia on the ground that it erred in holding that the depreciation claimed by the assessee-Company of ₹37,50,000/- (Rupees Thirty Seven Lakhs Fifty Thousand Only) on technical know-how was correct. However, the Hon'ble Income-tax Appellate Tribunal passed an order dated March 24, 2015 inter-alia holding that depreciation is to be allowed for technical know-how and accordingly, upholding the aforesaid order passed by the Commissioner of Income-tax (Appeals) – 26. Aggrieved by the aforementioned order dated March 24, 2015 passed by the Hon'ble Income-tax Appellate Tribunal (“**the said Order**”), the Commissioner of Income Tax-15 has preferred the present appeal dated September 23, 2015 bearing No. ITXA/404/2016 before the Hon'ble High Court of Bombay against the Company inter-alia challenging the said Order and also praying inter-alia that the Hon'ble High Court be pleased to: (i) decide whether, on the facts and in circumstances of the case, decide the substantial question of law, viz., “*Whether, on the facts and in circumstances of the case, the Hon'ble Income Tax Appellate Tribunal was justified in law in confirming the order of CIT (A) deleting the depreciation on technical knowhow amounting to [73.50 lakhs].*”; (ii) stay the execution, operation and implementation of the said Order.

The matter is at the pre-admission stage and is listed on July 18, 2016.

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	Income-tax	1	37,50,000/-*
Total			₹37,50,000/-*

*This is the amount of depreciation on technical know how, which is disputed. However the amount of liability, if any, which may arise as a result of this litigation, is presently unascertainable.

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

4. Other Pending Litigations

NIL

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) **Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

(ii) **Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

5. **Other Pending Litigations**

NIL

LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. **Litigation Involving Criminal Matters**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation involving Tax Liabilities**

(i) **Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

(ii) **Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

4. **Other Pending Litigations**

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1. **Litigation Involving Criminal matters**

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR PROMOTERS

A. LITIGATION AGAINST OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities
(i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR GROUP COMPANIES
A. LITIGATION AGAINST OUR GROUP COMPANIES
1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities
(i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	NIL

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	NIL	NIL	NIL
Total		NIL	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.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

Material Fraud against our Company in the last 5 (five) years

There has been no material fraud committed against our Company in the last 5 (five) years.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Draft Prospectus for the Company and its Subsidiaries for default or outstanding defaults.

Non-Payment of Statutory Dues

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company. For details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess, which have not been deposited as on March 31st, 2016 on account of disputes, see “Summary Financial Information” beginning on page 27 of this Draft Prospectus.

Amounts owed to small scale undertakings and other creditors

The Board of Directors of our Company considers dues exceeding ₹ 25.00 lakhs to small scale undertakings and other creditors as material dues for our Company. Our Company does not owe any small scale undertakings any amounts exceeding ₹ 25.00 as of the date of this Draft Prospectus.

Our Company owes amounts aggregating to ₹ 336.04 lakhs or more to its other creditors. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: www.valiantorganics.com The details in relation to other creditors and amount payable to each creditor is available on the website of our Company.

Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our 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 our Company and the objects incidental, enable our Company to carry out its activities.

A. Approvals for the Offer

The following approvals have been obtained or will be obtained in connection with the Offer:

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on June 01, 2016 authorized the Offer subject to the approval by the shareholders of our Company under Section 62 (1) (c) of the Companies Act, such other authorities as may be necessary.
2. The shareholders of our Company have approved this Offer under Section 62 (1) (c) of the Companies Act, vide a Special Resolution passed at our Company's Extra-ordinary General Meeting held on June 27, 2016.
3. Our Company's International Securities Identification Number ("ISIN") is [●].

B. Approvals pertaining to Incorporation, name and constitution of our Company

1. Certificate of incorporation dated February 16, 2005 issued, by the RoC, Mumbai to our Company upon incorporation as "Valiant Organics Private Limited" with Corporate Identity Number U24230MH2005PTC151348.
2. Fresh certificate of incorporation dated July 31, 2015 issued by the RoC, Mumbai to our Company upon conversion from private company to a public limited company, with the name of the Company being "Valiant Organics Limited".
3. The Corporate Identity Number of the Company is U24230MH2005PLC151348.

C. Tax Related Approvals

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Permanent Account Number	Income Tax Department, Government of India	AACCV0024A	February 16, 2005	Valid until cancelled
2.	Tax Deduction Account Number	Income Tax Department, Government of India	MUMV12015D	NA	Valid until cancelled
3.	Certificate of Registration as Dealer under the Central Sales Tax Act, 1956 with respect to principal place of business situate at Plot No. 2906/755, GIDC, Sarigam, Valsad – 396 155	Commissioner of Commercial Tax, Gujarat	24750501616	Issued On: November 28, 2015 Effective date: March 23, 2005	Valid until cancelled

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
4.	Certificate of Registration under the Gujarat Value Added Tax Act, 2003 with respect to chief place of business situate at Plot No. 2906/755, GIDC, Sarigam, Valsad – 396 155	Commissioner of Commercial Tax, Gujarat	24250501616	Issued On: November 28, 2015 Effective Date: February 23, 2005	Valid until cancelled
5.	Service Tax Registration Certificate under Chapter V of the Finance Act, 1994 and the Service Tax Rules, 1994 with respect to the place of business situate at Plot No. 2906, 752 to 755, Chemical Zone, GIDC, Umbergaon Sarigam, Valsad – 396 155	Superintendent, Central Excise, Custom & Service Tax, Range-Sarigam-II, Division-V (Umbergaon)	AACCV0024AST001	August 26, 2015	Valid until cancelled
6.	Central Excise Registration Certificate under Central Excise Rules, 2002 with respect to the place of business situate at Plot No. 2906, 752 to 755, Chemical Zone, GIDC, Sarigam, Umbergaon, Valsad – 396 155	Deputy/Assistant Commissioner of Central Excise, Division-Umbergaon	AACCV0024AXM001	Originally Issued on: March 24, 2005 Last Amended on: September 01, 2015	Valid till activity for which it is issued is discontinued
7.	Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	-	27185207682P	-	-

D. Approvals Relating to Business / Manufacturing Facility

Sr. No.	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC)	The Ministry of Commerce, Foreign Trade Development Officer, Government of India	0388044071	April 01, 1988	Valid until cancelled
2.	Acknowledgement for Industrial Entrepreneur's Memorandum for premises situate at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad.	Under Secretary, The Ministry of Commerce & Industry, public relation & Complaints section.	1175/51A/IMO/2016	June 30, 2016	Valid until cancelled
3.	License to work a factory under the Factories Act, 1948 and the Rules made thereunder for the premises situate at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad	Registration No.: 781/24119/1986 License no.: 8145	Deputy Director, Industrial Safety & Health, Valsad	August 31, 2015	December 31, 2020
4.	Registration of Generating Set/s under Gujarat Electricity Duty Act, 1958 with 200 KVA capacity for the premises situate at Plot No. 2906 & 755, GIDC, Sarigam, Valsad ⁽¹⁾	15-0186-002-12152	Collector of Electricity Duty, Gandhinagar.	July 5, 2013	Valid until cancelled

Sr. No.	Description	Registration/Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
5.	Approval of extension of area/ power boundary from existing power boundary at Plot Nos. 2906 and 755 to adjoining Plot Nos. 752, 753 and 754 at GIDC Sarigam, Umargam, Valsad and authorization to utilize power supply to the said adjoining Plot Nos.	Letter No. 4989	C.E.O & S.E. (O&M) Dakshin Gujarat Vij Company Ltd.	July 14, 2015	NA
6.	License to store compressed gas in cylinders under the Indian Explosives Act, 1884 and the Rules made thereunderfor the premises at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umargaon, Valsad	G/WC/GJ/06/927 (G14120)	Joint Chief Controller of Explosives, Petroleum and Explosives Safety Organization, West circle	December 9, 1997 Amendment Dated: July 11, 2005 Renewed on September 02, 2015	September 30, 2025
7.	Permission for Examination and Factory Stuffing under Advance Authorizationand DFIA Scheme. ⁽²⁾	FSP No.: 117/06	Commissioner of Customs, JNCH	April 28, 2006	Valid till business is discontinued
8.	License for use of weight and /or measure under the Legal Metrology Act, 2008	VC No: 347282	Junior Inspector, Legal Metrology, Division, Valsad-1	May 07, 2016	May 06, 2017
9.	Certificate of Registration under the Maharashtra Shops and Establishment Act, 1948 for the registered office of the Companysituate at 109, UdyogKshetra, 1st Floor, MulundGoregaon Link Road, Mumbai-400080	762076192/ COMMERCIAL II Ward T	Inspector under the Maharashtra Shops and Establishment Act, 1948	June 22, 2016	June 01, 2019
10.	Fire Safety Certificate for premises situate at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad.	NAO/SRG/FIRE/CERT/ 361	Chief Officer, Notified Area, GIDC, Sarigam	July 13, 2016	July 12, 2017

⁽¹⁾ The Company's factory premises are situated at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad. However, manufacturing activities are being carried on only at Plot No. 2906 and 755. Accordingly, the above registration has been obtained with respect to Plot Nos. 2906 and 755 only.

⁽²⁾ Vide No. F/No. S/6-FSP-117/2006 Exp. FSP, the Office of the Commissioner of customs (General) approved the change in name and address of the Company to its present name, registered office address and factory address.

With respect to supply of power, by and under agreement dated April 01, 1992 entered into between The Gujarat Electricity Board (therein referred to as "the supplier") and Valiant Chemical Corporation (therein referred to as "the consumer"), whereby the supplier therein inter-alia agreed to reserve for and supply to the consumer therein electrical energy of 250 KVA for the purpose of 'Chemical Industry' at the consumer's premises situate at GIDC, Sarigam for the minimum period of 2 (two) years from 1st day of the month next to the date of commencement of supply and upon the terms and conditions more particularly set out therein under. The Gujarat Electricity Board was reorganized effective from April 01, 2005 into seven companies including inter-alia Dakshin Gujarat Vij Company Ltd. (DGVCL). Further, the said Valiant Chemical Corporation, a partnership firm, was acquired as a going concern along with its assets and liabilities by Valiant Organics Pvt. Ltd. DGVCL now supplies electricity in the name of 'Valiant Organics Pvt. Ltd.'. The change in name to 'Valiant Organics Ltd.' is pending.

E. Approvals Relating to Labour

Sr. No.	Description	Registration/Approval/Certificate Number
1.	Provident Fund Code under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952	SRVAP0017707000

F. Environment Related Approvals

Sr. No.	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Consolidated Consent and Authorization ("CCA") Order No. AWH – 33060 under The Water (Prevention and Control of Pollution) Act, 1974, The Air (Prevention And Control Of Pollution) Act, 1981, The Hazardous Wastes (Management and Handling) Rules, 1989 as amended to extend the validity period, for the premises situate at Plot No. 2906/755 GIDC, Sarigam, Valsad ^(1a)	Original Order: AWH-33060 dated June 16, 2009 vide Letter No. PC/CCA-VSD-569/12211 dated June 18, 2009. Amendment Letter No.: GPCB/CCA-VSD-569/ID:24741/41514	Environment Engineer, Gujarat Pollution Control Board	Originally Issued on: June 16, 2009 Amended on: January 13, 2010	Valid upto March 30, 2014 ^(1b)
2.	Amendment to CCA Order No. AWH – 33060 under The Water (Prevention and Control of Pollution) Act, 1974, The Air (Prevention And Control Of Pollution) Act, 1981, The Hazardous Wastes (Management and Handling) Rules, 1989 for the premises situate at Plot No. 2906/755 GIDC, Sarigam, Valsad ^(2a)	Amendment Letter No.: GPCB/CCA-SRG-319/ID: 24741/163398	Environment Engineer, Gujarat Pollution Control Board	October 23, 2013	(2b)
3.	Amendment to CCA Order No. AWH – 33060 under The Water (Prevention and Control of Pollution) Act, 1974, The Air (Prevention And Control Of Pollution) Act, 1981, The Hazardous Wastes (Management and Handling) Rules, 1989 for the premises situate at Plot No. 2906/755 GIDC, Sarigam, Valsad ^(3a)	Amendment Letter No.: GPCB/CCA-VSD-569/ID:24741/145287	Environment Engineer, Gujarat Pollution Control Board	April 30, 2013	(3b)
4.	Consent to Establish under Section 25 of The Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of The Air (Prevention And Control Of Pollution) Act, 1981 for change of product mix without existing pollution load under Water Act 1974 & Air Act 1981 for the premises situate at Plot No. 2906/755 GIDC, Sarigam, Valsad ^(4a)	CTE-56660 Letter No.: GPCB/CCA-SRG-319/ID:24741/157891	Environment Engineer, Gujarat Pollution Control Board	August 27, 2013	June 12, 2018
5.	Consent to Establish under Section 25 of The Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of The Air (Prevention And Control Of Pollution) Act, 1981 for setting up of Coal Fired Boiler of capacity 6 TPH for the premises	CTE-69832 Letter No.: GPCB/CCA-SRG-24741/ID_24741	Environment Engineer, Gujarat Pollution Control Board	May 01, 2015	April 22, 2020

Sr. No.	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	situate at Plot No. 2906/755 GIDC, Sarigam, Valsad				

(1a) The Company's factory premises are situated at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad. However, manufacturing activities are being carried on only at Plot No. 2906 and 755. Accordingly, the above CCA Order No. AWH – 33060 and amendment have been obtained with respect to Plot Nos. 2906 and 755 only.

(1b) One of the conditions under the Consent to Establish No. 56660 dated August 27, 2013 valid upto June 12, 2018 (details of which are given herein below), is that all other conditions of CCA Order No. AWH-33060 shall remain unchanged. Therefore, the conditions provided in CCA order No. AWH-33060 as amended from time to time, would be required to be complied with until June 12, 2018.

(2a) The Company's factory premises are situate at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad. However, manufacturing activities are being carried on only at Plot No. 2906 and 755. Accordingly, the above amendment has been obtained with respect to Plot Nos. 2906 and 755 only.

(2b) One of the conditions under the Consent to Establish No. 56660 dated August 27, 2013 valid upto June 12, 2018 (details of which are given herein below), is that all other conditions of CCA Order No. AWH-33060 shall remain unchanged. Therefore, the conditions provided in CCA order No. AWH-33060 as amended from time to time, would be required to be complied with until June 12, 2018.

(3a) The Company's factory premises are situate at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad. However, manufacturing activities are being carried on only at Plot No. 2906 and 755. Accordingly, the above CCA Order No. AWH – 33060 and amendment has been obtained with respect to Plot Nos. 2906 and 755 only.

(3b) One of the conditions under the Consent to Establish No. 56660 dated August 27, 2013 valid upto June 12, 2018 (details of which are given herein below), is that all other conditions of CCA Order No. AWH-33060 shall remain unchanged. Therefore, the conditions provided in CCA order No. AWH-33060 as amended from time to time, would be required to be complied with until June 12, 2018.

(4a) The Company's factory premises are situate at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad. However, manufacturing activities are being carried on only at Plot No. 2906 and 755. Accordingly, the above CCA Order No. AWH – 33060 and amendment has been obtained with respect to Plot Nos. 2906 and 755 only.

(5a) The Company's factory premises are situate at Plot No. 2906, 752 to 755, GIDC, Sarigam, Umbergaon, Valsad. However, manufacturing activities are being carried on only at Plot No. 2906 and 755. Accordingly, the above Consent to Establish has been obtained with respect to Plot Nos. 2906 and 755 only.

G. Other Approvals/Registrations

Sr. No.	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Recognition as One Star Export House	Certificate No. 0483 Status Holder No.: 03/1/0483/151127	Joint Directorate General of Foreign Trade	Issued On: November 27, 2015 Effective Date: October 26, 2015	October 25, 2020
2.	Registration-cum-Membership Certificate for registration of the Company as a large scale manufacturing exporter	CHEM/LSM/V-1/205-16/4422 In continuation of RMC No. CHEM/LSM/V-1/2-1-11/4422	Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council	April 1, 2015	March 31, 2020

H. Pending Approvals

1. The Company has made applications for obtaining the following approvals, which are pending to be obtained:
 - (i) Application No. 762076192 for registration of the Company as an employer under the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 along with acknowledgement receipt dated June 15, 2016, for the premises situate at 2906, GIDC, Sarigam Ind Estate, Sarigam, Umargam, Umbergaon, Valsad, 396155.
2. The Company is required to obtain the following approvals but have not yet applied for the same:
 - (i) Certificate of Enrolment under the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976.
 - (ii) Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

SECTION – VIII – OTHER REGULATORY AND STATUTORY DISCLOSURE

Approval for the Offer

Our Board of Directors have vide resolution dated June 01, 2016 authorized the Offer, subject to the approval by the shareholders of our Company under Section 62 (1) (C) of the Companies Act, 2013.

The shareholders have authorized the Offer, by passing a Special Resolution at the Extra-Ordinary General Meeting held on June 27, 2016, in accordance with the provisions of Section 62(1)(C) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated May 25, 2016, as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hemchand Gala	2,81,342
2	Mr. Sumeet Savla	2,36,737
3	Mrs. Meena Chheda	1,63,814
4	Mrs. Dhanvanti Gala	1,32,700
5	Mr. Vicky Gala	59,200
6	Dr. Manisha Gogri	36,403
7	Mrs. Aarti Gogri	27,302
8	Mr. Arvind Chheda	27,302
Total		9,64,800

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

The Company has obtained approval letter from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, the Selling Shareholders, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Company, our Promoters, relatives of Promoters (as defined under Companies Act, 2013), neither our Directors, nor the Selling Shareholders have been identified as wilful defaulters.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Association with Securities Market

None of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Risk Factors*”, “*Our Promoter, Promoter Group and Group Companies*” and “*Outstanding Litigations and Material Developments*” beginning on page nos. 9, 105 and 149 respectively, of this Draft Prospectus.

Eligibility for the Offer

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulation; and this Offer is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Offer is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, a Company whose post Offer face value capital does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this offer has been hundred percent underwritten and that the Lead Manager to the offer has underwritten more than 15% of the total offer Size. For further details pertaining to the said underwriting please see "General Information- Underwriting" on page no. 35 of this Draft Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Offer. For further details of the arrangement of Market Making, please see "General Information- Details of the Market Making Arrangements for this Offer" on page no. 36 of this Draft Prospectus. We further confirm that we shall be complying with all other requirements as laid down for such offer 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.
- e) Our Company has Net Tangible assets of at least ₹ 3 crores as per the latest audited financial results.
- f) The Net worth (excluding revaluation reserves) of our Company is at least ₹ 3 crores as per the latest audited financial results.
- g) Our Company has track record of distributable profits in terms of sec. 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has been a period of at least 12 months.
- h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the year ended as at March 31, 2016, 2015 and 2014 is as set forth below:

(₹ in lakhs)

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Distributable Profit ⁽¹⁾	1,030.64	727.29	554.13
Net tangible Assets ⁽²⁾	2,411.82	2,310.50	2,086.33
Net Worth ⁽³⁾	2,275.26	2,140.79	1,864.16

⁽¹⁾ Distributable profits have been computed in terms section 123 of the Companies Act, 2013.

⁽²⁾ Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

⁽³⁾ Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

- i) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹ 364.03 lakhs (₹ 3.64 crores), which is in excess of ₹ 3 crore, and the Post Offer Capital will be of ₹ 364.03 lakhs (₹ 3.64 crores).
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k) There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- l) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- m) Our company shall mandatorily facilitate trading in demat securities and shall enter into an agreement with both the depositories.
- n) We have a website: www.valiantorganic.com
- o) We are not a Stock / Commodity Broking Company since incorporation.
- p) We are not a Finance Company since incorporation.
- q) None of the Directors of our Company have been categorised as a Wilful Defaulter.

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Offer.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE**
3. **STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - A. **THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
 - B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. **THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
4. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
5. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE**
6. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
7. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
8. **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 OFFER. 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 COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE**
9. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE “MAIN OBJECTS” LISTED IN THE**

OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED WITH.

- 10. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF COMPANIES ACT, 2013) AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.**
- 11. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**
- 12. 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.**
- 13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**
 - A. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, AND**
 - B. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 14. 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.**
- 15. 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 COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 16. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 17. 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).**
- 18. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.**

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 OFFER. 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.

Note:

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Draft Prospectus with the RoC in terms of section 26, 28, 30 and 32 of the Companies Act, 2013.

ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-OFFER ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED DRAFT 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 COMPANY.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR 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 DRAFT 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
7. INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Disclaimer from our Company, the Selling Shareholders and the Lead Manager

Our Company, the Directors, the Selling Shareholders and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Offer Management entered into among the Lead Manager, our Company and the Selling Shareholders dated July 12, 2016, the Underwriting Agreement dated [●] entered into among the Underwriter and our Company, the Selling Shareholders and the Market Making Agreement dated [●], entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

Note:

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholders, the Underwriter and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Draft Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft 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 Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date

Disclaimer Clause of the SME Platform of BSE

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE to us, post scrutiny of the Draft Prospectus, shall be included in 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 Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Plot No. C 4-A , G Block, Near Bank of India, Bandra- Kurla Complex, Bandra East, Mumbai, Maharashtra 400051.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Everest, 100 Marine Drive, Mumbai – 400002.

Listing

Application have been made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the offer on its SME Platform after the allotment in the Offer. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company and the Selling Shareholders shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Offer or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 6 Working Days of the Offer Closing Date.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
1	Bajaj Healthcare Limited	30.90	170	10/05/2016	170	2.18%	3.84%	N. A.	N. A.	N. A.	N. A.
2	Franklin Leasing And Finance Limited	6.34	15	13/04/2016	15.10	1.67%	-0.54%	7.67%	8.54%	N. A.	N. A.
3	Relicab Cable Manufacturing Ltd.	3.22	20	22/03/2016	20	2.50%	2.17%	3.75%	6.07%	N. A.	N. A.
4	K.P. Energy Ltd.	6.44	70	25/02/2016	72	10.00%	10.28%	22.22%	10.14%	N. A.	N. A.
5	Vaksans Automobiles Ltd.	6.24	26	16/10/2015	26.25	4.23%	-5.89%	3.85%	-8.97%	0.58%	-7.60%
6	AGI Infra Ltd.	14.99	54	27/03/2015	54.4	4.17%	-0.08%	50.00%	1.59%	115.74%	-5.96%
7	Vishal Fabrics Ltd.	15.63	45	20/08/2014	45.2	12.22%	2.95%	15.56%	7.03%	34.33%	10.72%
8	Dhanuka Commercial Ltd.	4.44	10	11/06/2014	9.75	-12.50%	-1.76%	-29.00%	7.03%	-9.50%	10.39%
9	Karnimata Cold Storage Ltd.	3.04	20	18/03/2014	29.05	10.75%	3.65%	10.75%	15.38%	10.00%	23.95%

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
10	Suyog Telematics Ltd.	4.53	25	22/01/2014	25.2	2.00%	-2.98%	1.60%	6.66%	4.00%	20.52%

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (M in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day			Nos. of IPOs trading at premium - 30 th calendar day from listing day			Nos. of IPOs trading at discount - 180 th calendar day from listing day			Nos. of IPOs trading at premium - 180 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	2 ⁽¹⁾	37.24	-	-	-	-	-	2	-	-	-	-	-	-
2015-16	3	15.90	-	-	-	-	-	3	-	-	-	-	-	1
2014-15	3	35.06	-	-	1	-	-	2	-	-	1	1	1	-

⁽¹⁾ Details indicated in 2016-17 are for the IPOs completed as on date.

Notes:

- Since the listing date of Bajaj Healthcare Limited and Fraklin Leasing and Finance Limited was May 10, 2016 and April 13, 2016, respectively, information related to closing prices and benchmark index as on 90th and 180th calendar day from the listing date is not available.
- Since the listing date of K.P. Energy Limited and Relicab Cable Manufacturing Limited was February 25, 2016 and March 22, 2016 information related to closing prices and benchmark index as on 180th day from the listing date is not available.
- The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- Source: www.bseindia.com and BSE Sensex as the Benchmark Index

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – www.afsl.co.in

Consents

Consents in writing of: (a) The Selling Shareholders, the Directors, the Company Secretary and Compliance Officer, the Chief Financial Officer, the Statutory Auditors and Bankers to the Company; and (b) The Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Peer Review Auditor, Banker to the Offer*, Share Escrow Agent*, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 32 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.

**The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s V.J Shah & Co, Chartered Accountants, Peer Review Auditors have provided their written consent to the inclusion of their reports dated June 27, 2016 on Restated Financial Statements and M/s. Madan Dedhia & Associates, Chartered Accountants, Statutory Auditors have

provided their written consent to the inclusion of their reports dated June 27, 2016 on Statement of Tax Benefits, respectively, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

Expert Opinion

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Madan Dedhia & Associates, Chartered Accountants and from the Peer Review Auditor M/s V.J. Shah & Co., Chartered Accountants to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 respectively in respect of the reports on the Statement of Tax Benefits dated June 27, 2016 and on the Restated Financial Statements dated June 27, 2016, issued by them respectively, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Offer Related Expenses

The total estimated Offer Expenses are ₹. [●] lakhs, which is [●] % of the total Offer Size. The details of the Offer Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹. in lakhs)	% of Total Expenses	% of Total Offer Size
1	Offer Management fees including payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. ⁽¹⁾	[●]	[●]	[●]
2	Brokerage and selling commission ⁽²⁾⁽³⁾	[●]	[●]	[●]
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
4	Advertisement and Marketing Expenses	[●]	[●]	[●]
5	Stock Exchange Fees, Regulatory and other Expenses ⁽¹⁾	[●]	[●]	[●]
	Total	[●]	[●]	[●]

⁽¹⁾ Except for the Listing Fees, the Market Making Fees & Regulatory expenses, which will be borne by our Company, all other expenses relating to the Offer as mentioned above will be borne by the Selling Shareholder in proportion to the Equity Shares contributed to the Offer. The Offer expenses are estimated expenses and subject to change.

⁽²⁾ The SCSBs would be entitled to processing fees of ₹ 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.

Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.03% on the Allotment Amount or ₹ 150/- whichever is less on the Applications wherein shares are allotted. Amount allotted is the product of the number of Equity Shares allotted and the Issue Price.

⁽³⁾ The payment towards commission and processing fees shall be payable within 30 days from the date of receipt of final invoices of the respective intermediaries.

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated July 12, 2016, the Underwriting Agreement dated [●] and the Market Making Agreement dated [●] among our Company, the Selling Shareholders and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Offer dated July 15, 2016

The Registrar to the Offer 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 Offer to enable it to send refund orders or Allotment advice by registered post/speed post.

Previous Public and Rights Issues

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 38 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates

As on the date of this Draft Prospectus our Company do not have any Group Company/Subsidiary Company.

Promise v. Performance (Company and Listed Group Companies / Subsidiaries / Associates)

As on the date of this Draft Prospectus our Company do not have any Group Company/Subsidiary Company.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company

The Company has no outstanding debentures or bonds and redeemable preference shares and other instruments as on the date of Draft Prospectus.

Stock Market Data for our Equity Shares

This being an initial public offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company and the Selling Shareholders has appointed Bigshare Services Private Limited as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Offer 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 Offer will handle investor’s grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on July 26, 2016 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mr Vicky Gala	Non Executive Director	Chairman
Mr. Arvind Chheda	Whole Time Director	Member
Mr. Hemchand Gala	Chairman & Managing Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 93 of this Draft Prospectus.

The Company has also appointed [] as the Company Secretary and Compliance Officer for this offer and she/he may be contacted at the Registered Office of our Company.

Investors can contact the Compliance Officer or the Registrar to the Offer or the Lead Manager in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management as the Company

As on the date of this draft Prospectus our Company do not have any Listed Group Company.

Change in Auditors

There has been no change in auditors of our company in the last 3 years.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 38 of this Draft Prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have not revalued our assets in the last 5 years.

SECTION IX – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered pursuant to the offer shall be subject to the provisions of the Companies Act, SEBI Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Draft Prospectus, the Prospectus, Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the Registrar of Companies and/or any other authorities while granting its approval for the Offer.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November, 10th 2015, all the applicants have to compulsorily apply through the ASBA Process.

Further vide the said circular Registrar to the Offer and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Offer and Depository Participants as and when the same is made available.

Offer for Sale

The offer comprises of Offer for Sale by the Selling Shareholders. The fees and expenses relating to the offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

Approval for the Offer

This Offer of Equity Shares has been authorized by the Board of Directors of our Company and at their meeting held on June 01, 2016 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra-Ordinary General Meeting held on June 27, 2016 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated May 25, 2016, as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1	Mr. Hemchand Gala	2,81,342
2	Mr. Sumeet Savla	2,36,737
3	Mrs. Meena Chheda	1,63,814
4	Mrs. Dhanvanti Gala	1,32,700
5	Mr. Vicky Gala	59,200
6	Dr. Manisha Gogri	36,403
7	Mrs. Aarti Gogri	27,302
8	Mr. Arvind Chheda	27,302
Total		9,64,800

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

Ranking of Equity Shares

The Equity Shares being offered pursuant to the offer for sale shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page no. 228 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. In respect of the Offer for Sale, all dividends, if any, declared by our Company after the date of Allotment, will be payable to the Applicants who have been issued and allotted Equity Shares in such Offer for the entire year. For further details, please refer the chapter titled "Dividend Policy" and "Main Provisions of Article of Association" beginning on page nos. 112 and 228 of this Draft Prospectus.

Face Value and Offer Price

The Equity Shares having a face value of ₹ 10 each are being offered in terms of this Draft Prospectus at the price of ₹ [●] per Equity Share. The Offer Price is decided by our Company and the Selling Shareholders, in consultation with the Lead Manager and is justified under the section titled "Basis of Offer Price" beginning on page no 56 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with the disclosure and accounting norms

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association of our company*" beginning on page no 228 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Offer:

- 1) Tripartite agreement dated [●] between our Company, NSDL and the Registrar and Share Transfer Agent to the offer.
- 2) Tripartite agreement dated [●] between our Company, CDSL and the Registrar and Share Transfer Agent to the offer.

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 BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

Minimum Number of Allottees

The minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies collected shall be refunded within 6 Working days of closure of offer.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ To register himself or herself as the holder of the Equity Shares; or
- ✓ To make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the Applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the Lead Manager, reserves the right not to proceed with the Offer at any time after the Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-offer advertisements were published, within two days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants

within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

If our Company and/or the Selling Shareholders withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an offer of the Equity Shares, our Company shall file a fresh Draft Offer Document. Notwithstanding the foregoing, the offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

OFFER PROGRAMME

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

Event	Indicative Date
Offer Opening Date	[•]
Offer Closing Date	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / 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, the Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

Due to limitation of time available for uploading the Applications on the Offer Closing Date, the Applicants are advised to submit their Applications one day prior to the Offer Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Offer Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Offer Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Offer. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

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

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

Minimum Subscription

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

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

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no 228 of this Draft Prospectus.

New Financial Instruments

The Company is not issuing any new financial instruments through this Offer.

Option to receive Equity Shares in Dematerialized Form

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI’s circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholder shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholder shareholders against the proposal.

Market Making

The shares Offered through this offer are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to the Offer shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled "*General Information - Details of the Market Making Arrangement for this Offer* " beginning on page no 35 of this Draft Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Mumbai. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

OFFER STRUCTURE

This Offer is being made in terms of Regulation 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post offer face value capital does not exceed more than ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Offer, please see the chapters titled "*Terms of the Offer*" and "*Offer Procedure*" beginning on page nos. 174 and 182 respectively of this Draft Prospectus.

Offer Structure

Offer for Sale of upto 9,64,800 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ [●] per Equity Share (including a Share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs ("the Offer") by the Selling Shareholders of Valiant Organic Limited ("VOL" or the "Company").

The offer comprises a reservation of upto 48,240 Equity Shares of ₹10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and a Net Offer to Public of upto 9,16,560 Equity Shares of ₹10 each ("the Net Offer"). The Offer and the Net Offer will constitute 26.50% and 25.18%, respectively of the post offer paid up equity share capital of the company. The Offer is being made through the Fixed Price Process:

Particulars of the Offer	Net Offer to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Upto 9,16,560 Equity Shares	Upto 48,240 Equity Shares
Percentage of Offer Size available for allocation	95.00% of the Offer Size	5.00% of the Offer Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to the " <i>Basis of Allotment</i> " on page no. 216 of this Draft Prospectus.	Firm Allotment
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2.00 lakhs. For Retail Individuals: [●] Equity Shares	Upto 48,240 Equity Shares
Maximum Application Size	For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceeds upto 9,16,560 Equity Shares. For Retail Individuals: [●] Equity Shares	Upto 48,240 Equity Shares
Application Lot Size	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	
Mode of Allotment	Dematerialized Form	
Trading Lot	[●] Equity Shares	[●] Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.

Note:

- 1) 50 % of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 200 lakhs and the balance for higher amount Applications.
- 2) In case of Joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- 3) Applicants will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Offer.
- 4) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Offer Price (in ₹)	Lot Size (No. of shares)
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Offer in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

OFFER PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document"), included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Offer. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholders and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Please note that all the Applicants can participate in the Offer only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Offer and Share Transfer Agent ("RTA") that have been notified by BSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned BSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

PART A

FIXED PRICE OFFER PROCEDURE

The Offer is being made in compliance with the provisions of Reg. 106(M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Offer to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Offer Price.

Subject to the valid Applications being received at or above the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Offer Opening Date.

All Applicants shall mandatorily participate in the Offer only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour ⁽¹⁾
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

⁽¹⁾ Excluding electronic application form

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;

8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
9. VCFs registered with SEBI;
10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. Any other person eligible to Apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Applications not to be made by

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

Maximum and Minimum Application Size

a) *For Retail Individual Applicants:*

The Application must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

b) *For Other Applicants (Non-Institutional Applicants and QIBs):*

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of [•] Equity Shares thereafter. Application cannot be submitted for more than the Offer Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Offer shall not be made public during the Offer Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Information for the Applicants

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Offer Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre- Offer advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- Offer advertisement, our Company and the Lead Manager shall advertise the Offer Opening Date, the Offer Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Offer Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.

Availability of the Prospectus and the Application Forms:

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be

available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Offer Opening Date.

Participation by associates and affiliates of the Lead Manager

The Lead Manager shall not be allowed to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Offer in non Retail Portion, where the allocation is on a proportionate basis.

Applications by Mutual Funds

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Applications by Eligible NRIs

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Applications by FPI and FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIS under the SEBI FPI Regulations shall not be eligible to participate in this Offer.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-

account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

FPIs are permitted to participate in the Offer 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 Offer are advised to use the Application Form for Non-Residents (blue in colour).

Applications by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company, the Selling Shareholders or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) Equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) The entire group of the investee company: the least of 10.00% of the respective fund in case of a life insurer or 10.00% of investment assets in case of a general insurer or reinsurer (25.00% in case of ULIPs); and
- 3) The industry sector in which the investee company operates: 10.00% of the insurer's total investment exposure to the industry sector (25.00% in case of ULIPs).

Applications by Provident Funds / Pension Funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

Applications by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company and the Selling Shareholders reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company, the Selling Shareholders and the Lead Manager may deem fit.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

General Instructions

Do's:

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the RegisteredBroker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Offer

- 1) Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Offer shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Offer.
- 2) The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

Payment instructions

The entire offer price of ₹ [•] per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Offer Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instruction to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount

shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal / failure of the Offer or until rejection of the application, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- Offer advertisement, we shall state the Offer Opening Date and the Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Selling Shareholders, the Lead Manager and the Market Maker have entered into an Underwriting Agreement [●].
- b) For terms of the Underwriting Agreement please see chapter titled “General Information” beginning on page no 31 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 32 of the Companies Act.

Communications

All future communications in connection with Applications made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre- Offer or post- Offer related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) **Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) **Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) **Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be

less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Offer after the Offer 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 Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre- Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company does not proceed with the Offer after the Offer 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 Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre- Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 3) If our Company withdraws the Offer after the Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;
- 4) The complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- 5) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Offer Closing Date;
- 6) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;
- 7) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;
- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 9) No further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Bid monies are refunded / unblocked in ASBA Account on account of non-listing, under-subscription etc;
- 10) Adequate arrangements shall be made to collect all Application Forms

UNDERTAKINGS BY THE SELLING SHAREHOLDERS

Each Selling Shareholder severally undertakes that:

- 1) It shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least one Working Day prior to the Bid/Offer Opening Date;
- 2) It shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges; it shall take all steps and provide all assistance to our Company and the LM, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within Six Working Days from the Bid/Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder;

- 3) It shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
- 4) It shall ensure that the Equity Shares being offered by it in the Offer, shall be transferred to the successful Bidders within the time specified under applicable law.

Utilization of Offer Proceeds

The Selling Shareholder along with our Company declare that all monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. 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 Draft Prospectus/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, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

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 Draft Prospectus/Red Herring Prospectus (“RHP”) / Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP / Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

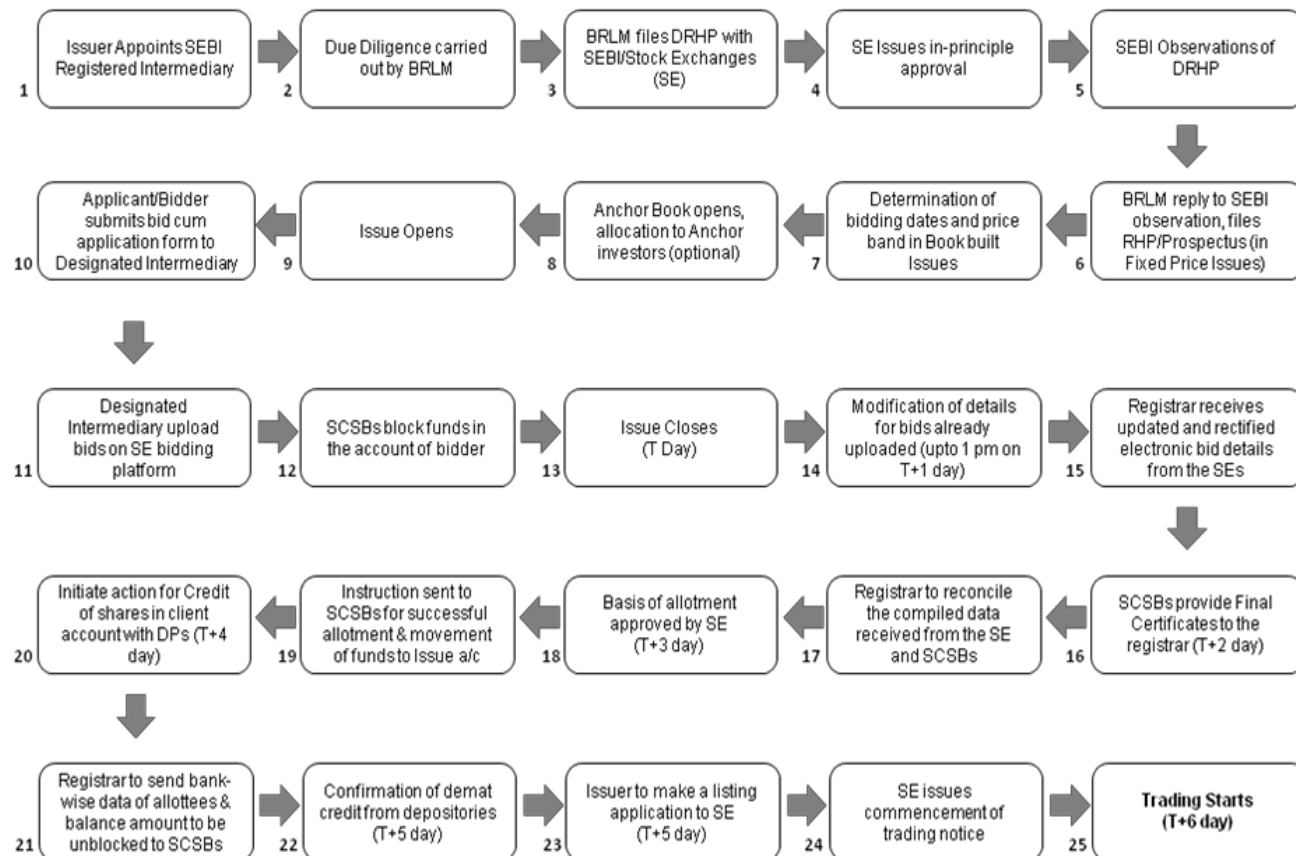
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

i. Step 7 : Determination of Issue Date and Price

ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of 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;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;

- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“NIIs”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

Securities issued in an IPO can only be in dematerialized form in accordance 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/ Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below. A sample Bid cum Application Form is reproduced below:

<div style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</div>	COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details: CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS																																																	
<div style="writing-mode: vertical-rl; transform: rotate(180deg);">PLEASE FILL IN BLOCK LETTERS</div>	LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px; text-align: center;"> BOOK BUILT ISSUE ISIN : </div>	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 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 Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint 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 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:

- *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to 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. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/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 the 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 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 Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer, the Selling Shareholders in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate

basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 2,00,000.
- b) In case the Bid Amount exceeds ₹ 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 MULTIPLE BIDS

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
- 1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - 2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
- 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.
 - 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - 3) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

- b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- c) Bidders/Applicants should check whether they are eligible to apply on non -repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for Anchor Investors:

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)

- a) Bidders may submit the Bid cum Application Form either
 - 1) In physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - 2) In electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - 3) In physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

4.1.7.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Sshares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
 - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders/Applicants should contact the relevant Syndicate Member.
 - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
 - 5) In case of Bids submitted to the RTA, the Bidders/Applicants should contact the relevant RTA.

- 6) In case of Bids submitted to the DP, the Bidders/Applicants should contact the relevant DP.
 - 7) Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
- 1) Full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
 - 2) Name and address of the Designated Intermediary, where the Bid was submitted; or
 - 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
- d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, 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 or withdraw their Bids till the Bid/ Issue Close Date.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & 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 three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Bidders/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 Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3 FIELD 6: PAYMENT DETAILS

- a) All Bidders/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) Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, 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 additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount 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 Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer, the Selling Shareholders in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:

- 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
- 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
- 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

4.3.5.1 Payment instructions for Applicants

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
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Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location To the Designated Branches of the SCSBs where the ASBA Account is maintained

- Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the 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.
- Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- During the Bid/ Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- 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

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

5.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - 1) The Bids accepted by the Designated Intermediaries,
 - 2) The Bids uploaded by the Designated Intermediaries, and
 - 3) The Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;

- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Prospectus/Draft Red Herring Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the 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/ Prospectus and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of 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 any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP/ Prospectus.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (M)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer and the Selling Shareholders, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP/ Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the IID.

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 will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue

Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis

for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
 - 1) Not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - 2) One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - 3) Allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - A maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
 - A minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
 - A minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP/Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures

the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The

Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the 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 Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the 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. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Draft Prospectus/Red Herring Prospectus/ Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Draft Prospectus/Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an Issue during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national

Term	Description
	daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors(if applicable),the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.

Term	Description
	The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Selling Shareholders, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering

Term	Description
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional

Term	Description
	language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three working days before the Bid/ Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html

Term	Description
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/ and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) and FEMA. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to Rule 144A of the U.S. Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Application for do not exceed the applicable limits under laws or regulations.

SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATIONS

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the EGM of the Company held on November 26, 2014 and same amended vide EGM dated June 27, 2016.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. 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.
4. 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.
5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
 - (a) Equity share capital:
 - (i) with voting rights; and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
 - (b) Preference share capital
6.
 - (1) 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-
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
 - (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
7. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for

endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

9. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
10.
 - (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
 - (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
 - (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
11.
 - (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
 - (2) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
14.
 - (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –
 - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - (b) employees under any scheme of employees' stock option; or
 - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
 - (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

LIEN

15.
 - (1) The Company shall have a first and paramount lien –
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

- (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
- (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
- (4) Fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made-
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.
18. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
19. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
20. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

CALLS ON SHARES

21. (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their

- shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- (2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
 - (3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
 - (4) A call may be revoked or postponed at the discretion of the Board.
 - (5) Options or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.
22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
25. (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Board-
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
27. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
28. All calls shall be made on a uniform basis on all shares falling under the same class.
Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
29. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall

from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

30. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

TRANSFER OF SHARES

31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (3) Common form of transfer shall be used for all transfer requests.
32. The Board may, subject to the right of appeal conferred by the Act, decline to register –
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.
33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless –
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.
- 34A Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company.
35. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

TRANSMISSION OF SHARES

36. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

37. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
- (a) to be registered himself as holder of the share; or
 - (b) to be registered himself as holder of the share; or
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
38. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
39. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:
Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
40. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

FORFEITURE OF SHARES

41. If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
42. The notice aforesaid shall:
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

44. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
46. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
47.
 - (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
 - (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
48.
 - (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
 - (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
 - (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
49.
 - (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
 - (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - (3) The transferee shall thereupon be registered as the holder of the share; and
 - (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the

person(s) entitled thereto.

52. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
54. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

ALTERATION OF CAPITAL

55. Subject to the provisions of the Act, the Company may, by ordinary resolution –
 - (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
56. Where shares are converted into stock:
 - (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
 - (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.
57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, –
 - (a) its share capital; and/or
 - (b) any capital redemption reserve account; and/or
 - (c) any securities premium account; and/or

- (d) any other reserve in the nature of share capital.

JOINT HOLDERS

58. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.
 - (b) On the death of anyone or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
 - (c) Anyone of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
 - (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
 - (e)
 - (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares
 - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
 - (f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

CAPITALISATION OF PROFITS

59. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve-
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

- (b) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
60. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power-
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

61. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

62. All general meetings other than annual general meeting shall be called extraordinary general meeting.
63. The Board may, whenever it thinks fit, call an extraordinary general meeting.

PROCEEDINGS AT GENERAL MEETINGS

64. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- (3) The quorum for a general meeting shall be as provided in the Act.
65. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
66. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their

members to be Chairperson of the meeting.

67. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
68. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
69. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –
- (a) is, or could reasonably be regarded, as defamatory of any person; or
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the Company.
- (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
70. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
- (a) be kept at the registered office of the Company; and
 - (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

ADJOURNMENT OF MEETING

72. (1) The Chairperson may, *suo motu*, adjourn the meeting from time to time and from place to place.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

- 73. Subject to any rights or restrictions for the time being attached to any class or classes of shares –
 - (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 74. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- 75.
 - (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
 - (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 76. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or anyone of his guardians.
- 77. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- 78. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 79. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
- 80. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
- 81. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

PROXY

- 82.
 - (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
 - (2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the

person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

83. An instrument appointing a proxy shall be in the form as prescribed in the Rules.
84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 20 (twenty).

The First Directors of the Company shall be:

1. Mr. Hemchand Lalji Gala
2. Mr. Arvind Kanji Chheda
3. Mr. Mohan Hemraj Savla

86. (1) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" as the case may be.
- (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
87. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.
- (3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.
88. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
89. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- (2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
90. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall

be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

- (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
 - (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
91. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- (2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

POWERS OF BOARD

92. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

PROCEEDINGS OF THE BOARD

93. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (2) The Chairperson or anyone Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- (3) The quorum for a Board meeting shall be as provided in the Act.
- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
95. 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.
96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes

after the time appointed for holding the meeting, the directors present may choose one of their member to be Chairperson of the meeting.

97. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
- (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
98. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
99. (1) A Committee may meet and adjourn as it thinks fit.
- (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
- (3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
100. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of anyone or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
101. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

102. (a) Subject to the provisions of the Act,- A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

REGISTERS

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00

p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

104. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

THE SEAL

105. (1) The Board shall provide for the safe custody of the seal.
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised 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 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.

DIVIDENDS AND RESERVE

106. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
107. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
108. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
109. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
110. (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (2) The Board may retain dividends payable upon shares in respect of which any person is, under the

Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

111. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
112. Anyone of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
113. No dividend shall bear interest against the Company.
114. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
- 114 A. No forfeiture of unclaimed dividends before the claim becomes barred by law unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act.

ACCOUNTS

115. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
- (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

WINDING UP

116. Subject to the applicable provisions of the Act and the Rules made thereunder –
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND INSURANCE

117. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds

of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

GENERAL POWER

118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company between 11.00 a.m. to 4.00 p.m. on all Working Days (Monday to Friday) from the date of filing this Draft Prospectus until the Application / Offer Closing Date:

A. Material Contracts

1. Memorandum of Understanding dated July 12, 2016 between our Company, the Selling Shareholders and the Lead Manager.
2. Memorandum of Understanding dated July 15, 2016 between our Company and the Registrar to the Offer.
3. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Lead Manager, Escrow Collection Bank(s), Refund bank and the Registrar to the Offer.
4. Market Making Agreement dated [●] between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated [●].
7. Tripartite agreement between the CDSL, our Company and the Registrar dated [●].

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certification of Incorporation of Valiant Organic Limited
3. Resolution of the Board of Directors meeting dated June 01, 2016, authorizing the Offer.
4. Shareholders' resolution passed at the Extra Ordinary General Meeting dated June 27, 2016 authorizing the Offer.
5. Auditor's report for Restated Financials dated June 27, 2016 included in this Draft Prospectus.
6. The Statement of Tax Benefits dated June 27, 2016 from our Statutory Auditors.
7. Consent of our Directors, the Selling Shareholders, Auditors, Lead Manager, Legal Advisor to the Offer, Registrar to the Offer, Market Maker and Underwriters as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated [●] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
9. Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Hemchand Gala
(Chairman & Managing Director)

Mr. Arvind Chheda
(Whole-Time Director)

Mr. Vishnu Sawant
(Whole Time Director)

Mr. Vicky Gala
(Non – Executive Director)

Mrs. Jeenal Savla
(Non – Executive Independent Director)

Mr. Dhiraj Gala
(Non – Executive Independent Director)

Signed by the Chief Financial Officer of our Company

Mr. Arvind Chheda
(Chief Financial Officer)

Date: July 28, 2016
Place: Mumbai

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

MR. HEMCHAND GALA

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

MR. ARVIND CHHEDA

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

MR. VICKY GALA

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to herself and the Equity Shares being offered by her in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

DR. MANISHA GOGRI

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to herself and the Equity Shares being offered by her in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

MRS. AARTI GOGRI

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

MR. SUMEET SAVLA

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to herself and the Equity Shares being offered by her in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

MRS. MEENA CHHEDA

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to herself and the Equity Shares being offered by her in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

MRS. DHANVATI GALA