



## GOBLIN INDIA LIMITED

Our Company was incorporated on April 26, 1989, as "*Kal-Chop Export Private Limited*" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat bearing Registration Number 04-12165. We subsequently changed the name of our Company from "*Kal-Chop Export Private Limited*" to "*Camex Auxii- Chem Private Limited*" vide a fresh Certificate of Incorporation issued by Registrar of Companies, Gujarat dated December 15, 1989. Our Company obtained another fresh certificate of incorporation pursuant to change of name from "Camex Auxii-Chem Private Limited" to "Camex Tradelink Private Limited" dated April 18, 2002 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. Subsequently, our Company was converted into public limited company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on January 11, 2010 and the name of our Company was changed to "*Camex Tradelink Limited*" vide a fresh Certificate of Incorporation dated April 8, 2010 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. Our Company obtained another fresh certificate of incorporation pursuant to change of name from "Camex Tradelink Limited" to "Goblin India Limited" dated August 24, 2015 issued by the Registrar of Companies, Ahmedabad.

For further details, please refer to the section titled "*History and Certain Corporate Matters*" on page no. 107 of this Red Herring Prospectus.

**Registered Office:** Camex House, 1<sup>st</sup> Floor, Commerce Road, Navrangpura, Ahmedabad-380009, India.  
**Telephone:** +91 79 26465080; **Contact Person:** Ms. Nikita Suyani, Company Secretary & Compliance Officer  
**E-mail:** [cs@goblinindia.com](mailto:cs@goblinindia.com); **Website:** [www.goblinindia.com](http://www.goblinindia.com); **Corporate Identity Number:** U51100GJ1989PLC012165

### OUR PROMOTERS: MR. MANOJKUMAR CHOUKHANY AND MRS. SONAM CHOUKHANY

INITIAL PUBLIC OFFER OF 29,24,000\* EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH (THE "*EQUITY SHARES*") OF GOBLI INDIA LIMITED, (THE "*COMPANY*" OR THE "*ISSUER*") FOR CASH AT A PRICE OF RS.[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS.[●] PER EQUITY SHARE) (THE "*ISSUE PRICE*") AGGREGATING UP TO RS.[●] LAKHS\*\* (THE "*ISSUE*"). THE ISSUE INCLUDES A RESERVATION OF 1,48,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] LAKHS FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 27,76,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS.[●] PER EQUITY SHARE, AGGREGATING RS.[●] LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.99% AND 26.58% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ALL EDITION OF ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITION OF THE HINDI NATIONAL DAILY NEWSPAPER AND EDITION OF THE REGIONAL NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF AHMEDABAD WHERE OUR REGISTERED OFFICE IS LOCATED, EACH OF WIDE CIRCULATION, AND SHALL BE MADE AVAILABLE TO THE BOMBAY STOCK EXCHANGE LIMITED ("BSE"), THE "STOCK EXCHANGE" FOR UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("*SEBI (ICDR) REGULATIONS*").

### THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH

In case of revision in the Price Band, the Bid/Issue Period will be extended by at least three (3) additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager ("BRLM") and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCR") the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in compliance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, as amended. In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all investors other than retail individual investor shall participate in this Issue mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSBs. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Retail Individual Investors applying in public issue shall compulsorily use UPI payment mechanism by providing UPI ID in the Bid Cum Application Form which is linked from Bank Account of the investor. For details, see "Issue Procedure" on page 196 of this Red Herring Prospectus.

### RISK IN RELATION TO FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (as determined by our Company, in consultation with the BRLM as stated in the section titled "*Basis for Issue Price*" beginning on page 72 of this Red Herring Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("*SEBI*") nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" beginning on page 21 of this Red Herring Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on SME Platform of BSE Limited ("BSE SME"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received an In-principle approval letter dated September 03, 2019 from BSE Limited for using its name in the Offer document for listing of our shares on the BSE SME. For the purpose of this Issue, BSE Limited shall be the Designated Stock Exchange.

### BOOK RUNNING LEAD MANAGER



**FAST TRACK FINSEC PRIVATE LIMITED**  
 B 502, Statesman House, 148 Barakhamba Road,  
 New Delhi -11000, India.  
 Telephone: +91 11-43029809  
 Email: [mb@ftfinsec.com](mailto:mb@ftfinsec.com)  
 Contact Person: Pawan kumar Mahur  
 Investor grievance email: [investor@ftfinsec.com](mailto:investor@ftfinsec.com)  
 Website: [www.ftfinsec.com](http://www.ftfinsec.com)  
 SEBI registration number: INM000012500  
 CIN: U65191DL2010PTC200381

### REGISTRAR TO THE ISSUE



**BIGSHARE SERVICES PRIVATE LIMITED**  
 1 st Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis Makwana Road  
 Marol, Andheri East, Mumbai – 400059, India.  
 Telephone: +91 22 62638200  
 Facsimile: +91 22 62638299  
 Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
 Contact Person: Mr. Babu Rapheal  
 Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
 SEBI Registration Number: INR000001385  
 CIN: U99999MH1994PTC076534

### BID / ISSUE PROGRAMME

BID / ISSUE OPENS ON MONDAY, SEPTEMBER 30, 2019

BID / ISSUE CLOSES ON FRIDAY, OCTOBER 04, 2019

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

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

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## SECTION I: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates /requires /implies, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992 (“ SCRA”), the Depositories Act or the rules and regulations made there under.

### GENERAL TERMS

Term	Description
"Goblin India Limited", "GIL", "Goblin", "We" or "us" or "our Company" or "the Issuer" or "the Company"	Unless the context otherwise requires, refers to Goblin India Limited, a Company incorporated under the Companies Act, 1956 vide a Certificate of Incorporation issued by the Registrar of Companies, Ahmedabad, Gujarat.
“Our Subsidiary” or “Goblin France”	Goblin France SARL, a subsidiary of our Company. For details of our Subsidiary, see section entitled " <i>History and Certain Corporate Matters</i> " on page 107 of this Red Herring Prospectus.

### COMPANY RELATED TERMS

Term	Description
AOA/ Articles / Articles of Association	Articles of Association of Goblin India Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and rules made there under disclosed as such in the section titled “ <i>Our Management</i> ” on page 112 of this Red Herring Prospectus.
Auditor/ Statutory Auditor	The statutory auditor of our Company, being M/s. O R Maloo and Co., Chartered Accountant.
Bankers/ Lenders to our Company	Such banks which are disclosed as bankers to the Company in the section titled “ <i>General Information</i> ” on page 42 of this Red Herring Prospectus.
Board of Directors/ the Board / our Board	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled " <i>Our Management</i> " beginning on page 112 of this Red Herring Prospectus.
Chief Financial Officer/ CFO	Chief Financial Officer of our Company being Mr. Manishkumar Indramal Nagori.
CIN	Corporate Identification Number
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company, Ms. Nikita Suyani.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of Rs.10.00 each unless otherwise specified in the context thereof.
Equity shareholders/ Shareholders	The holders of the Equity Shares of our Company.
Group Companies	Group Company shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer. For further details, please refer to section titled " <i>Information with respect to Group Companies</i> " beginning on page 176 of this Red Herring Prospectus.

Term	Description
HNI	High Networth Individual
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see “ <i>Our Management</i> ” on page 112 of this Red Herring Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India.
Key Management Personnel	Key management personnel of our Company in terms of the Regulation 2(1)(bb) of SEBI Regulations and the Companies Act, 2013. For details, see section entitled “ <i>Our Management</i> ” on page 112 of this Red Herring Prospectus.
LLP	Limited Liability Partnership
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on May 24, 2019, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MOA/Memorandum/Memorandum of Association	Memorandum of Association of Goblin India Limited, as amended till date.
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company as constituted vide the Board Meeting held on May 24, 2019 in accordance and Section 178 of Companies Act, 2013.
Non-Executive Director	A Director not being an Executive Director.
Promoters	Shall mean Promoters of Our Company i.e. Mr. Manojkumar Choukhany and Mrs. Sonam Choukhany. For further details, please refer to section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 125 of this Red Herring Prospectus.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed under section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 125 of this Red Herring Prospectus.
RBI Act	Reserve Bank of India constituted under the RBI Act.
Registered Office of our Company	The Registered Office of our Company is situated at Camex House 1st Floor, Commerce Road, Navrangpura Ahmedabad-380009, Gujarat, India.
RoC / Registrar of Companies, Ahmedabad	The Registrar of Companies, Ahmedabad, is situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, India.
Restated Consolidated Financial Information/ Restated Financial Statement	The restated consolidated financial information of the Company, along with its subsidiary, which comprises of the restated consolidated balance sheet, the restated consolidated profit and loss information and the restated consolidated cash flow information, as at and for the financial years ended March 31, 2017, 2018 and 2019 together with the annexures and notes thereto
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR) Regulations	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Stakeholders’ Relationship Committee	Stakeholder’s relationship committee of our Company as constituted vide the Board Meeting held on May 24, 2019 in accordance Section 178 of Companies Act, 2013.
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited (SME Platform).

## ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allot/ Allotment/ Allotted of Equity Shares	Unless the context otherwise requires, issue/allotment of Equity Shares of our Company pursuant to the Issue of Equity Shares to the successful Applicants.
Allocation/ Allotment of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted

Term	Description
	Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A Successful Bidder (s) to whom the Equity Shares are being/ have been issued /allotted.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all applicants to make a Bid authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.  <i>Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process. Further, Pursuant to SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Retail Individual Investor making application for the issue shall have to compulsorily use UPI as payment mechanism w.e.f July 01, 2019.</i>
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the Retail Individual Bidder blocked upon acceptance of UPI Mandate Request by Retail Individual Bidder using the UPI Mechanism to the extent of the Bid Amount of the Bidder/Applicant.
ASBA Bidder	Any Bidder who intends to apply through ASBA Process.
ASBA Application Location (s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, and Hyderabad
Banker to the Issue/ Refund Banker/ Public Issue Bank	The bank which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in the section titled "Issue Procedure - Basis of Allotment" beginning on page 213 of this Red Herring Prospectus.
Bid	An indication to make an application during the Bid/ Issue Period by a Bidder, pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with this Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bidding	The process of making a Bid.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter
Bid cum Application Form	The ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment.
Bid/ Issue Closing Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in all edition of the English national newspaper , Hindi national newspaper, and Regional newspaper, each with wide circulation, and in case of any revision, the extended Bid/ issue closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper , Hindi national newspaper , and Regional newspaper , each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring



Term	Description
	Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder.
Bidding/Collection Centres	Centres at which the Designated intermediaries shall accept the ASBA Forms, i.e Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/Book Building Method	The book building route as provided under Schedule XIII of the SEBI (ICDR) Regulations, 2018 in terms of which this Issue is being made.
Book Running Lead Manager/ BRLM	Book Running Lead Manager to the Issue in this case being Fast Track Finsec Private Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker.  The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE on the following link: <a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3">http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3</a>
BSE	BSE Limited (the Designated Stock Exchange).
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, Occupation and Bank Account details.
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 Issue.
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Bid cum 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 Bid cum Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details

Term	Description
	of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Draft Red Herring Prospectus / DRHP	Draft Red Herring Prospectus dated July 15, 2019, filed with BSE Limited
Designated Market Maker	Member Brokers of BSE who are specifically registered as Market Maker with the BSE SME Platform. In our case, Vijeta Broking India Private Limited, Market Maker to the Issue .
Designated Stock Exchange	BSE Limited (SME Platform).
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation whom the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof
Equity Shares	Equity Shares of our Company of face value of Rs.10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered to with SEBI under applicable laws in India.
First Bidder/ Applicant	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lowest end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalized and below which no Bids (or revisions thereof) will be accepted.
Fresh Issue	Fresh issue of 29,24,000 Equity Shares aggregating up to Rs.[●] lakhs to be issued by company pursuant to the Issue.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, as amended from time to time. Pursuant to the SEBI circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, the General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers.
IPO	Initial Public Offering
Issue Agreement	The Agreement dated July 10, 2019 between our Company and the Lead Manager, Fast Track Finsec Private Limited.
ISIN	International Securities Identification Number. In this case being INE492Z01018
Issue Price	The final price at which the Equity Shares will be Allotted in terms of the Red Herring Prospectus and the Prospectus, as determined by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book building Process and the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds refer to the section titled “Object of the Issue” beginning on page 64 of this Red Herring Prospectus.
Listing Agreement	Unless the context specifies otherwise, this means the Listing Agreement to be signed between our Company and BSE Limited.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform.
Market Making Agreement	The Market Making Agreement dated August 21, 2019 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of - 1,48,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. [●] per Equity Share aggregating Rs. up to [●] Lakhs for the Market Maker in this Issue.



Term	Description
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted Post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20% and locked-in for a period of three years from the date of Allotment
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 27,76,000 Equity Shares of Rs. 10 each at a price of [●] per Equity Share (the "Issue Price") aggregating up to [●] lakhs.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than Rs. 2,00,000/- (but not including NRIs other than Eligible NRIs)
Net Proceeds	Proceeds of the Fresh Issue less the issue related expenses. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the section titled "Object of the Issue" beginning on page 64 of this Red Herring Prospectus.
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, containing amongst other things, the Issue Price as determined before filing the Prospectus with ROC.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue under section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement dated September 18, 2019 entered into between our Company, Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Application Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1) (ss) of the SEBI (ICDR) Regulations.  A Mutual Fund, Venture Capital Fund, Alternative Investment Fund and Foreign Venture Capital investor registered with SEBI, a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance Company registered with the

Term	Description
	Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 2500 Lakhs; a pension fund with minimum corpus of Rs. 2500 Lakhs rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically important non- banking financial companies.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the issue, including any addenda or corrigenda thereto.
Registered Brokers	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com">http://www.bseindia.com</a> .
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar/ Registrar to this Issue/RTI	Registrar to the Issue being Bigshare Services Private Limited
Registrar Agreement	The agreement dated June 12, 2019 entered into amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
Retail Individual Investors/RIIs	Individual Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs 2 Lakhs in this Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s).
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time .
Specified Locations	Bidding centres where the Syndicate shall accept Application Forms, a list of which is included in the Application Form.
SME Exchange	SME Platform of the BSE Limited
SME Platform	The SME Platform of BSE for listing equity shares offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange.
Sub Syndicate Member	A SEBI Registered member of BSE appointed by the BRLM and/or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members
Syndicate Agreement	The agreement dated September 18, 2019 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI Circular no CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi.
Syndicate Members/Members of the Syndicate	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Vijeta

Term	Description
	Broking India Private Limited.
Systemically Important Non-Banking Financial Company	A non-banking financial company registered with the Reserve Bank of India and having a net worth of Rs. 50,000 lakhs or more as per the last audited financial statement.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time.
Underwriters	The Fast Track Finsec Private Limited who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated August 21, 2019 entered into amongst the Underwriters and our Company.
UPI	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request / Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI PIN	Password to authenticate UPI transaction.
Willful Defaulter	Willful Defaulter is defined under Regulation 2(1)(iii) of SEBI (ICDR) Regulations, 2018, means a person or an issuer who or which is categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
Working Days	In accordance with Regulation 2(1)(m) of SEBI (ICDR) Regulations, working days means, all days on which commercial banks in the city as specified in this Red Herring Prospectus are open for business.  However, in respect of announcement of price band and bid/ Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in this Red Herring Prospectus are open for business.  In respect to the time period between the bid/ Issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
ABS	Acrylonitrile-Butadiene-Styrene
Bn	Billion
CAGR	Compounded Annual Growth Rate
CPI	Consumer Price Index
DGFT	Directorate General of Foreign Trade
FDI	Foreign Direct Investment
FTA	Foreign Tourist Arrivals
GDP	Gross Domestic Product
GPS	Global Positioning System
IIP	Index of Industrial Production
PP	Poly Propylene
PRASHAD	Pilgrimage Rejuvenation and Spiritual Augmentation Drive
PE	Private Equity

Term	Description
PMI	Purchasing Managers' Index
US	United States of America
VC	Venture Capital

## CONVENTIONAL AND GENERAL TERMS

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
Associate	A person who is an associate of the issuer and as defined under the Companies Act, 2013
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations.
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations.
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations.
Client ID	The client identification number maintained with one of the Depositories in relation to demat account.
Companies Act, 1956	Companies Act, 1956 ( <i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i> ) along with the relevant rules made there under.
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Depositories Act	The Depositories Act, 1996.
Equity Listing Agreement/ Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the BSE Limited (BSE).
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations ( <i>defined later</i> ).
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations ( <i>defined later</i> ) and registered with SEBI under applicable laws in India.
Fugitive economic offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016.
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Red Herring Prospectus.
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended

SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations / SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended.
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations

#### GENERAL TERMS/ ABBREVIATIONS

Term	Description
Rs. or Rupees or INR	Indian Rupees
A/c	Account
AMT	Amount
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
ASBA	Applications Supported by Blocked Amount
A.Y.	Assessment year
AOA	Articles of Association
Approx.	Approximately
B.A.	Bachelor of Arts
B. Com	Bachelor in Commerce
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BPLR	Bank Prime Lending Rate
BSE	The BSE Limited
BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE.
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CC	Cash Credit
Cr	Crore
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CLB	Company Law Board
CrPC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility

CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India.
DP	Depository Participant
DP ID	Depository participant's identification
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortization
ESIC	Employee's State Insurance Corporation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
EXIM/EXIM Policy	Export-Import Policy
FIPB	Foreign Investment Promotion Board
FBT	Fringe Benefit Tax
GAAR	General anti avoidance rules
GIR	General index register
GST	Goods and Services Tax
GoI/Government	Government of India
HNI	High Net worth Individual
HSC	Higher Secondary Certificate
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IIP	Index of Industrial Production
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
IRDA	Insurance Regulatory and Development Authority
ICSI	The Institute of Company Secretaries of India
Ltd.	Limited
M.B.A	Master of Business Administration
MoF	Ministry of Finance, Government of India
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MVAT	Maharashtra Value Added Tax Act
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves ( <i>excluding reserves created out of revaluation</i> ) less deferred expenditure not written off ( <i>including miscellaneous expenses not written off</i> ) and debit balance of profit and loss account, divided by number of issued Equity Shares.
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account.
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NPV	Net Present Value
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
p.a.	Per annum
PAN	Permanent Account Number



PAT	Profit After Tax
PBT	Profit before tax
PF	Provident Fund
PSU	Public Sector Undertaking(s)
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
ROE	Return on Equity
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SME	Small and Medium Enterprises
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
SSC	Secondary School Certificate
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
SCSB	Self-certified syndicate bank
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
w.e.f.	With effect from
Willful Defaulter	A willful defaulter, as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, means a person who or which is categorized as a willful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on willful defaulter issued by the RBI.
-, ()	Represent Outflow

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made there under.

Notwithstanding the foregoing, terms in the sections "*Statement of Possible Tax Benefits*", "*Financial Statements*" and "*Description of Equity Shares and terms of the articles of association*" on pages 75, 130 and 220, respectively, shall have the meaning given to such terms in such sections.

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

### **Certain Conventions**

Unless otherwise specified or the context otherwise requires, all references to "India" in this Red Herring Prospectus are to the Republic of India, all references to the "U.S.", the "USA" or the "United States" are to the United States of America, together with its territories and possessions.

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

### **Financial Data**

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled "*Financial Statements*" beginning on page 130 of this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year. The Restated Financial Information for Financial Years ended March 31, 2019, March 31, 2018 and March 31, 2017 are included in this Red Herring Prospectus.

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

Unless otherwise indicated, any percentage amounts, as set forth in this Red Herring Prospectus, including in sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 21, 87 and 156 respectively, have been calculated on the basis of the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.

In this Red Herring Prospectus, all figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

### **Currency and Units of Presentation**

All references to: "Rupees", "Rs.", "INR" are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled "Industry Overview" throughout this Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page 21, 87 and 156 respectively in this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

Except where specified, including in the section titled "Industry Overview", Our Company has presented certain numerical

information in this Red Herring Prospectus in "Lakhs/ Lacs/ Lac" units. One lakh represents Rs.1,00,000. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

### **Exchange Rates**

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

Exchange rate for conversion of foreign currency 1 Euro = 76.93 INR as on July 10, 2019.

(Source: [www.xe.com](http://www.xe.com))

### **Industry and Market Data**

Unless stated otherwise, industry and market data and various forecasts used throughout this Red Herring Prospectus have been obtained and derived from Dun & Bradstreet Research Report titled "Indian Luggage Industry" dated April, 2018. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of this information. Although, we believe that the industry and market data used in this Red Herring Prospectus is reliable, neither we nor the BRLM nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section "*Risk Factors*" on page 21 this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI (ICDR) Regulations, we have included in the section titled "*Basis for Issue Price*" beginning on page 72 of this Red Herring Prospectus, information pertaining to the peer group companies of our Company. Such information has been derived from publicly available data of the peer group companies.

## **FORWARD LOOKING STATEMENTS**

This Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

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

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

- Changes in consumer demand;
- Increased Competition in luggage Industry;
- Failure to successfully upgrade our product portfolio, from time to time;
- Reduction in demand for our products;
- Foreign exchange fluctuations;
- Changes in laws, regulations and taxes;
- Our inability to retain our management team and skilled personnel;
- Company’s ability to successfully implement its growth strategy and expansion plans;
- Occurrence of Environmental Problems & Uninsured Losses;
- Conflicts of interest with affiliated companies, the promoter group, group Companies and other related parties;
- Changes in the value of the Rupee and other currencies;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks;
- Outsourced manufacturing;

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and section titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 21 and 156 respectively of this Red Herring Prospectus.

Forward looking statements reflects views as of the date of this Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. Neither Our Company ,our Directors, Promoters, Book Running Lead Manager, Underwriter nor any of their respective affiliates or advisors have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II: SUMMARY OF OFFER DOCUMENT

### **PRIMARY BUSINESS OF THE COMPANY**

We are the ISO 9001: 2015 Certified Travel Luggage Company engaged in the design, marketing and sale of travel, business and casual luggage as well as travel accessories. As on March 31, 2019, our products were sold in over 6 states in India as well as in Paris, France through a variety of wholesale and retail distribution channel. We sell our products under the brand name “Goblin”. Apart from the travel luggage products, our company is involved in the trading and distribution of various products in multiple verticals such as digital consumer electronics, batteries & torches, office electronics, household items and other commodities to the corporate for the purpose of corporate gifting. For further information on our business activities, please refer to section titled “Our Business” on page no. 87 of this Red Herring Prospectus.

### **SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING**

The Indian luggage industry is engaged in the production of luggage bags both in hard and soft categories. In the soft category it manufactures bag packs, duffel bags, laptop bags, other business travelling bags and various travel accessories. Growing preference for short haul travel and penchant to travel hassle free is driving demand for new luggage categories away from traditional heavier luggage products. Consequently, luggage manufacturers are innovating and upgrading their portfolio regularly to meet consumer expectations along with executing right marketing and branding strategies to gain market share. Currently, soft luggage segment account for approximately 75% share in India’s luggage Industry. In 2017 the annual market size growth of the luggage and bags industry moderated marginally to about 13% due to temporary disruptive changes (both in organized and unorganized segment) following two major announcements i.e. demonetization and GST. However, favorable long term growth dynamics are in place to support healthy growth in luggage and bags sales in coming years. For further information on our industry activities, please refer to section titled “Industry Overview” on page no. 77 of this Red Herring Prospectus.

### **NAME OF PROMOTERS**

The Promoters of our Company are Mr. Manoj Choukhany and Mrs. Sonam Choukhany.

### **SIZE OF THE ISSUE**

This is an Initial Public Fresh Issue of 29,24,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] lakhs (“The Issue”), out of which 1,48,000 Equity Shares of face value of Rs. 10 each for cash at a price of [●] per Equity Share aggregating up to Rs. [●] lakhs will be reserved for subscription by the market maker to the issue (the “Market Maker Reservation Portion”). The Issue less Market Maker Reservation Portion i.e. Issue of up to 27,76,000 Equity Shares of face value of Rs. 10 each, at an issue price of Rs. [●] per Equity Share for cash, aggregating up to Rs. [●] lakhs is hereinafter referred to as the “Net Issue”. The Public Issue and Net Issue will constitute 27.99% and 26.58% respectively of the post-issue paid-up Equity Share capital of our Company.

### **OBJECT OF THE ISSUE**

#### **Fresh Issue**

We intend to utilize the Net Proceed of the Fresh Issue (“Net Proceeds”) of Rs.[●] Lakhs for financing the objects as set forth below:

*(Amount in Rs.in Lakhs)*

Sr. No.	Particulars	Amount	Percentage of Net Proceeds
1.	To set up a plant to manufacture/ Assemble ABS Luggage Bags at Ahmedabad, Gujarat	182.71	[●]%
2.	Funding the working capital requirement of the Company	920.00	[●]%
3.	General corporate purposes <sup>(1)</sup>	[●]	[●]%

## PRE ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Set forth is the Pre Issue shareholding of our Promoters and Promoter Group as a percentage of the paid up share capital of the Company:

Name	Pre Issue	
	No. of Equity Shares	% of Pre Issue paid up Equity Shares
<b>Promoters</b>		
Mr. Manojkumar Choukhany	40,27,348	53.56
Mrs. Sonam Choukhany	14,84,938	19.75
<b>Promoter Group</b>		
Ms. Riya Manoj Choukhany	5,330	0.07
<b>Total</b>	<b>55,17,616</b>	<b>73.38</b>

## SUMMARY OF RESTATED CONSOLIDATED FINANCIALS

Following are details as per the Consolidated Restated Financial Statements for the financial years ended on March 31, 2019, 2018 and 2017:

(Amount in Rs in Lakhs)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Share Capital	67.86	67.86	67.86
Net Worth	797.85	437.66	202.03
Total Revenue	6848.65	6093.69	5243.98
Profit after tax	344.92	309.37	63.32
Earnings per share	50.83	45.59	9.33
NAV per share (in Rs.)	117.57	64.49	29.77
Total borrowings (as per balance sheet)	2315.24	1882.57	1685.69

## AUDITORS' QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS.

The Restated Financials do not contain any Qualifications requiring adjustments.

## SUMMARY OF OUTSTANDING LITIGATIONS

There are nil outstanding litigations on the Company, its promoters, directors, subsidiary and Group Company.

For detailed information on the "Outstanding Litigations", please refer to section titled "Outstanding Litigation and Material Developments" on page no. 166 of this Red Herring Prospectus.

## RISK FACTORS

In relation to risk involving or Company, Please refer "Risk Factors" on page no. 21 of this Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES

There are no contingent liabilities for the period ended on March 31, 2019, 2018 and 2017.

## SUMMARY OF RELATED PARTY TRANSACTIONS

The details of related party transaction as indicated in our Restated Financial Statements are as follows:

### 1. List of Related Parties

As per Accounting Standard 18 on related party disclosure issued by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

#### A. Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise:



Sr. No.	March 31, 2019	March 31, 2018	March 31, 2017
1	Citi Exim Pvt Ltd.	Citi Exim Pvt Ltd.	Citi Exim Pvt Ltd.

**B. Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture:**

Sr. No.	March 31, 2019	March 31, 2018	March 31, 2017
1	-	-	-

**C. Key Managerial Personal (KMP) and Relatives of KMP**

March 31, 2019	March 31, 2018	March 31, 2017
Manoj Kumar Choukhany	Manoj Kumar Choukhany	Manoj Kumar Choukhany
Manish Kumar Nagori	Manish Kumar Nagori	Manish Kumar Nagori
Mrs. Sonam Choukhany	Mrs. Sonam Choukhany	Mrs. Sonam Choukhany
Mrs. Pooja Nagori	Mrs. Pooja Nagori	Mrs. Pooja Nagori
Mrs. Riya Choukhany	Mrs. Riya Choukhany	Mrs. Riya Choukhany

**D. Enterprises over which any person described in (C) or (D) is able to exercise significant influence:**

*(This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise)*

March 31, 2019	March 31, 2018	March 31, 2017
-	-	-

**E. Additional Related parties as per Companies Act, 2013:**

March 31, 2019	March 31, 2018	March 31, 2017
-	-	-

**2. Details of transaction with related parties**

*(Amount in Rs in Lakhs)*

Name	Relationship	Nature of Transaction	Amount of transaction in 2018-2019	Amount of transaction in 2017-2018	Amount of transaction in 2016-2017
Manojkumar Choukhany	Key Management Personnel (KMP)	Managerial Remuneration	15.00	15.00	15.00
		Interest Paid	-	-	-
		Loan Due To	-	-	-
Manishkumar Nagori	Key Management Personnel (KMP)	Managerial Remuneration	9.84	9.84	9.84
		Interest Paid	-	-	-
		Loan Due To	-	-	-
Mrs. Sonam Choukhany	Relative	Salary	9.00	9.00	9.00
		Interest Paid	-	-	-
		Loan Due To	-	-	-
Mrs. Pooja Nagori	Relative	Salary	8.16	8.16	8.16
		Interest Paid	-	-	-
		Loan Due To	-	-	-
Ms. Riya	Relative	Salary	3.00	3.00	3.00

Choukhany		Interest Paid	-	-	-
		Loan Due To	-	-	-
Citi Exim Pvt. Ltd.	Enterprise in which director have Interest	Interest Paid			
		Loan given to	58.49	-	-
		Loan Due To	-	-	-

### 3. Details of balance outstanding at the end of the year

(Amount in Rs. in Lakhs)

Name	Relationship	Nature of Transaction	Amount O/s as on March 31, 2019 (Payable)/ Receivable	Amount O/s as on March 31, 2018 (Payable)/ Receivable	Amount O/s as on March 31, 2017 (Payable)/ Receivable
Citi Exim Pvt. Ltd.	Enterprise in which Director have Interest	Loan given	58.49	-	-
		Interest	-	-	-
		Loan taken	-	-	-

### FINANCING ARRANGEMENTS

There are no financing arrangements whereby the Promoters, member of Promoter Group, the Directors of the Company which a Promoter of the Issuer, the Director of our company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.

### WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS

The weighted average price of acquisition of Equity shares by our Promoters in last one year are as follows:

Name of Promoter	No. of Shares	Weighted Average cost (Rs.)
Manojkumar Choukhany	37,83,848	3.17
Sonam Choukhany	13,82,438	2.38

### AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Particulars	No. of Shares held	Average cost of Acquisition (Rs Per share)
Manojkumar Choukhany	4,027,348	5.30
Sonam Choukhany	14,84,938	4.30

### PRE-IPO PLACEMENT

Our Company has not placed any Pre-IPO Placement.

### ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH

Set forth are the details of Equity shares issued for consideration other than cash during last one year:

<b>Date of Allotment</b>	<b>Number of Equity Shares</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Reasons for Allotment</b>	<b>Benefits Accrued to our Company</b>
June 06, 2019	21,03,660	10	-	Bonus in the ratio of 31:10 i.e. 31 Equity Shares for every 1 Equity Share held	Capitalization of Reserves & Surplus
June 24, 2019	46,27,616	10	-	Bonus in the ratio of 16:10 i.e. 16 Equity Shares for every 1 Equity Share held	Capitalization of Reserves & Surplus

#### **SPLIT / CONSOLIDATION**

Our Company has not made any split or consolidation of its Equity Shares during the one (1) year preceding from the date of this Red Herring Prospectus.

### **SECTION III: RISK FACTORS**

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

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated consolidated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations. To obtain a better understanding, you should read this section in conjunction with the section titled “Our Business” beginning on page 87, “Industry Overview” beginning on page 77 and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 156 of this Red Herring Prospectus as well as other financial information contained herein.*

#### **Materiality**

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

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this section, refer to the section titled “Definitions and Abbreviations” beginning on page 1 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

#### **INTERNAL RISK FACTORS**

1. ***We are engaged in business of trading of luggage bags and other travel gear accessories and we are dependent on third party manufacturers for procurement of luggage bags and other travel gear accessories manufactured by them and have not executed supply agreements with them. However, Our inability to procure the stable supply of same can adversely affect our business operations and profitability.***

We currently source luggage bags and other travel gear accessories from different suppliers manufactured by them based in India and China. As on date of Red Herring Prospectus, we do not have our own manufacturing facility, and we are relying entirely on third party manufacturer(s) for procuring the products. Further, our Company will set up its own manufacturing unit of ABS Luggage Bags in Ahmedabad, For details in respect of our proposed manufacturing unit, please refer to section titled “Object of the Issue” on page 64 of this Red Herring Prospectus.

However, we have not entered into any exclusive sale agreement or any other long term supply agreement with our supplier(s) in respect of procurement of same and we generally transact on an invoice basis for each order. There can

be no assurance that there will not be a significant disruption in the supply of Luggage Bags and Travel Gear accessories, or, in the event of a disruption, that we would be able to locate alternative suppliers of the same 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. Further, If we were unable to source the Luggage Bags and other travel gear accessories at competitive prices, or in sufficient quantity, we may not be able to meet consumer demand for our luggage bags and other travel gear accessories, resulting in loss of sales and market share, which could have an adverse effect on our profitability.

**2. *Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our stores may adversely affect our business, results of operations and financial condition.***

We strive to keep optimum inventory at our stores and our distribution centres to control our costs and working capital requirements through our dynamic supply chain management. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. Unavailability of products, which are in high demand, may depress sales volumes and adversely affect our customer relationships. Conversely, an inaccurate forecast can also result in unavailability and/or an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, Shrinkages and ultimately lead to reduction in margins. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

**3. *If we are unable to keep pace with the evolving industry trends and preferences, our market share, net sales and profitability could be adversely affected.***

The success of our business in each of the regions in which we operate is dependent on our ability to identify the key product and market trends in those regions and then to design and bring to market in a timely manner products that satisfy the current preferences of a broad range of consumers in each respective region (either by enhancing existing products or by developing new product offerings). Consumer preferences differ across and within each of our operating regions, and shift over time in response to changing aesthetics, means of travel and economic circumstances.

Changes in consumer preferences or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge that will allow us to develop our product portfolio in this manner. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly. Further, the development of new or improved products or technologies by our competitors may render our products obsolete or less competitive.

There can be no assurance that we will anticipate or respond to changes in consumer preferences in one or more of our operating regions, and, even if we do anticipate and respond to such changes, there can be no assurance that we will bring to market in a timely manner enhanced or new products that meet these changing preferences. If we fail to anticipate or respond to changes in consumer preferences or fail to bring to market in a timely manner products that satisfy new preferences, while our competitors are able to meet these preferences in a timely manner, our market share and our net sales and profitability could be adversely affected.

**4. *We may face several risks associated with the setting up of our proposed new plant, which could hamper our growth, cash flows and business and financial condition.***

We intend to utilize a portion of the Net Proceeds of the Issue for setting up a new plant. For additional details in respect of the foregoing, see “*Objects of the Issue*” on page 64 of this Red Herring Prospectus. We may need to allocate a significant part of our cash flows from our business operations for capital expenditures for developing the infrastructure for said plant. In establishing that new plant, we may encounter cost overruns or delays for various reasons, including, but not limited to, delays in receiving Plant & Machinery, delays in infrastructure works, statutory and other regulatory approvals and permits and delays in, or non-delivery of equipment by suppliers. If our new plant that we propose to set up is not completed in a timely manner, or at all, our business, prospects and results of operations may be adversely affected. We cannot assure that we will be able to set up the aforesaid plant in

accordance with the proposed schedule of implementation. Any delay in setting up such proposed plant in a timely manner, or at all, could have an adverse impact on our growth, prospects and results of operations.

5. ***Our business derives a major portion of its revenue from our corporate customers and dealers. The loss of a major customer or a significant reduction and sales of, or demand for our products from our major customers, may adversely affect our business, financial condition.***

A majority of our income from operations is from sales to Corporate Clients and our dealers. The revenue received from our Corporate clients and Dealers from Indian Operations in fiscal 2019 were Rs. 459.40 Lakhs and Rs.144.40 Lakhs which was 76.08 % and 23.92 % of our revenue from operations , respectively.

We cannot assure that we can maintain the historical levels of orders from our Corporate Clients and Dealers or that we will be able to find new customers or dealers in case we lose any of them. Further, major events affecting our customers includes dealers, such as adverse market conditions, regulatory changes, adverse cash flows, change of management, mergers and acquisitions by customers could adversely affect our business. If any of our customers includes dealers become bankrupt or insolvent, we may lose some or all of our business from that customer and our receivables from that customer may have to be written off, thus impacting our cash flows and financial condition.

6. ***We sell our products through a pan-India network of dealers. Our distribution network is vital to our business and if we are unable to expand or effectively manage our distribution network, it could have an adverse effect on our business, financial condition and results of operations.***

We have a pan-India distribution network that consists of 4 distributors, 129 direct dealers and 245 dealers of our distributors as on March 31, 2019. Our dealers sell our products to wholesalers, retailers, sub-dealers and end-users. For further details, see “*Our Business*” on page 87 of this Red Herring Prospectus. Our business is dependent on our ability to attract and retain third-party dealers and such parties' ability to promote, sell and market our products effectively. Our inability to maintain a stable distribution network and to attract new dealers to our distribution network in the future could adversely affect our business, financial condition and results of operations.

We generally have no long term agreements with our dealers. While we continuously seek to increase the penetration our products by appointing new dealers targeted at different markets and geographies, we cannot assure you that we will be able to successfully identify or appoint new dealers, or effectively manage our existing distribution network. If our competitors offer more favourable terms to our dealers than those offered by us, such dealers may decline to distribute our products and terminate their arrangements with us or they may focus on selling our competitors' products. In addition, our competitors may also have exclusive arrangements with other dealers which may restrict us from selling our products through them, thereby limiting our ability to expand our network. If we are unable to expand or effectively manage our distribution network, it could have an adverse effect on our business, financial condition and results of operations.

7. ***Credit and non-payment risks of our distributors could have a material adverse effect on our business, financial condition and results of operations.***

The majority of our sales are to distributors on an open credit basis, with standard payment terms of generally between 60-90 days. While we generally monitor the ability of our distributors to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each distributor’s financial condition and payment history, we may still experience losses because of a distributor being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. As at March 31, 2019, our total trade receivables amounted to Rs. 1560.62 Lakhs, out of which Rs. 433.99 Lakhs was outstanding for a period exceeding six months. If we are unable to collect distributor receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

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



As a trading business, our success depends on the smooth supply and transportation of our products from our warehouse to our customers, or intermediate delivery points such as ports and railway stations, both of which are subject to various uncertainties and risks. We use third party transportation providers for the delivery of our products to customers. Transportation strikes may also have an adverse impact on supplies and deliveries to and from our customers and suppliers. In addition, products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. A failure to maintain a continuous deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

**9. *Our ability to maintain our sales growth is dependent upon the success of our growth strategies.***

We are focused on growing our core brands, *Goblin* and have experienced a significant increase in sales since September 2009. Our ability to maintain this sales growth is dependent on the success of our growth strategies in each of regions we operate. These strategies include expanding our product offerings so as to exploit opportunities for expansion within key growth markets, as well as increasing our market share. There can be no assurance that our expanded product offerings will be successful or that our efforts to increase our market share within our key growth markets will drive sales growth. If we are not able to implement our growth strategies effectively we may be unable to sustain our recent sales growth, which could adversely impact our profitability.

**10. *Rising costs for our third-party suppliers may compel us to increase our pricing or to source production capacity from new suppliers, either of which could adversely affect our net sales and profitability.***

The success of our operations will depend on, inter-alia, our ability to source products at competitive prices. We expect that the costs of raw materials and labour for most, if not all, of our suppliers will continue to increase, and, as a result, it may become increasingly difficult for us to maintain the product margins achieved in previous years. In order to maintain our current margins, we may be required either to increase our pricing or to source production capacity elsewhere. If we increase our price points, we could lose market share if our competitors are able to maintain theirs. On the other hand, as we seek out new suppliers with lower costs, it may be difficult to find suppliers that meet our requirements, in terms of quality, capacity, social compliance standards and/or technical capability, which could affect our production capacity and our ability to meet customer demand. In either instance, our business and results of operations could be adversely affected.

**11. *If we were unable to maintain our network of sales and distribution channels or to manage our inventory effectively, it could adversely affect our net sales, profitability and the implementation of our growth strategy.***

Our trading of luggage bags and travel gear accessories depends on our ability to maintain effective sales and distribution channels in the regions where we operate. We rely over different distribution channels such as retail stores, dealers, e commerce platform and our website which enables us to reach end costumers.

This network of distribution channels enables us to efficiently reach consumers at a variety of points of sale. The effectiveness of our sales and distribution channels depends on our ability to manage our inventory effectively so as to ensure that our most sought-after products are available in sufficient quantities at various points of sale and thereby prevent lost sales. If we were not able to maintain our sales and distribution channels, either because of untimely deliveries or otherwise, or if we are not able to effectively manage our inventory, we could experience a decline in sales, as well as reduced market share, as consumers may decide to purchase competitor products that are more easily obtainable. The failure to deliver our products to certain wholesale distributors (such as department stores) in accordance with our delivery schedules could result in these distributors imposing financial penalties on us and may impair our ability to use the distribution channels provided by such distributors. There can be no assurance that our current dealers will continue to do business with us, or that we can continue to attract additional distributors and dealers to our network. Consequently, our net sales, profitability and the implementation of our growth strategy could be adversely affected.

12. ***Our third-party suppliers, on whom we rely for the production of a significant proportion of our products, may fail to deliver products of sufficient quality or in a timely manner, which could adversely affect our reputation, net sales and profitability.***

Our products are procured from third party manufacturers located primarily in china and in India in respect of soft-side luggage, hard-side luggage, casual bags, business bags and travel accessories, and we constantly evaluate new suppliers. We conduct substantial investigations into our potential third-party suppliers, including on-site visits, to ensure that they meet our quality, cost, lead time, capacity and social compliance requirements, and once we have enlisted the services of a particular supplier, through various levels of oversight we monitor the quality of such supplier's work and aim to ensure not only that such supplier completes its project(s) on time but also that the finished products match the approved sample. However, there can be no assurance that our suppliers will be able to deliver, in a timely and cost-effective manner, products that meet our quality standards, which could result in damage to our customer relationships, lost sales and reduced market share and, consequently, could have an adverse effect on our net sales and profitability.

13. ***Certain of corporate and secretarial records such as Forms filed with Registrar of Companies such as allotment, filing of financial statements, auditor appointment prior to year 2006 etc and certain other records such as Transfer deeds, minutes book etc are not traceable of our Company.***

Our Company is unable to locate some of the regulatory filings made with the ROC and/or secretarial records including *inter-alia* in respect of: (i) allotment of Equity Shares w.r.t Incorporation, November 07, 1990 and March 28, 1998 and change in registered office w.r.t November 12, 1990 and March 28, 2005 and Minutes Book and certain other forms required to be filed prior to year 2006; (ii) Transfer Deeds prior to year 2018; (iii) Form 23B in respect of Appointment of Auditor prior to year 2014; and (iv) certain other corporate records. Though our Company has made efforts to retrieve such records however, there is no certainty that these forms or records will be available in the future. Since copies of these regulatory filings are unavailable with us, we cannot assure you that these regulatory filings were duly filed on a timely basis, or at all.

Further, such corporate and secretarial records are also not available in the records of RoC, as certified from Ravi Kapoor and associates, Company Secretary. There may be inconsistencies between the information provided in certain RoC forms and the statutory and corporate records maintained by us. We cannot assure you of the accuracy and completeness of such internal records maintained by us in respect to the above mentioned and that these discrepancies will not adversely affect our business.

While information in relation to such allotments and transfers have been disclosed under "*Capital Structure*" on page 51 in this Red Herring Prospectus, based on information in our Board and shareholders' resolutions and statutory registers, we may not be able to furnish any further document evidencing such appointments, allotment and amendments. We cannot further assure you that we will be able to locate these records, or not be penalized by the relevant supervisory and regulatory authorities in India for not maintaining such RoC forms.

14. ***The strength of Building our brand "Goblin" is significant to our success and we may not succeed in continuing to maintain and develop our brand.***

We believe that our business and results of operations are influenced by the strength of the 'Goblin' brand including the level of consumer recognition and perception of our brand. Further, the brand image we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the 'Goblin' brand, is critical for our customer base. Maintaining and enhancing our brand may require us to make substantial investments in areas such as research and development, outlet/dealers operations, advertising, marketing and employee training, and the actual results of incurring such expenditure may differ from those anticipated. In particular, as we expand into new geographic markets, consumers in these markets may not accept our brands. We anticipate that as our business expands into new markets and as the market becomes competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Our brand may also be adversely affected if our public image or reputation is tarnished by negative publicity. Maintaining and enhancing our brands will depend largely on our ability to maintain our position in terms of varieties of our products, to anticipate, gauge and respond in a timely manner to changing fashion trends and consumer demands and preferences, and to continue to provide high quality products and services, which we may not do successfully. We also cannot assure you that we will be able to continue selling any of our products at a premium price and that our products will not be sold at a discounted price, whether online or at retail stores. In the event that our products are sold with deep discounts by e-sellers or resellers, without our consent, such sale may harm our brand equity. If we are

unable to maintain or enhance our brand image, our results of operations may suffer and may materially affect our business.

**15. *The success of our business depends on our ability to attract and retain customers and maintain consistency in customer service.***

Our Company's ability to offer contemporary products to our customers and maintain our standards of customer service in our stores and distribution network is critical to attract and retain customers. We undertake regular advertising and marketing activities to create visibility, stimulate demand and promote our products, through various mediums of mass communication. Our ability to attract customers and provide high standards of customer service further depends on our ability to attract and hire the right personnel and also train the personnel in the implementation of our business processes. We cannot assure you that we will be able to recruit and retain the right personnel or our advertising and marketing campaign will be successful in meeting its objectives and provide returns commensurate to the investments made. Any failure to attract new customers or expand our customer base, may materially affect our growth and financial performance.

**16. *Quality concerns and negative publicity if any, either in relation to us or third parties, would adversely affect the value of our brand, and our sales.***

Our business is dependent on the trust that our customers have in our brand and products. We primarily procure goods from third parties. In the event that goods procured by us from external vendors or third party manufacturers and sold to our customers suffer in quality or after sales service provided by them to us or directly to the customers is unsatisfactory, our brand image and sales could be negatively impacted. Further, any damage or negative publicity in relation to the quality of our products may adversely affect our business and may lead to loss of reputation and revenue.

**17. *Our Company is yet to place orders for all the plant and machinery and other civil and electrical works required towards our proposed expansion. Any delay in placing the orders or their supply thereof may result in delay our Implementation schedule and may result in increase of prices of these which may adversely affect our revenues and profitability***

We are yet to place orders for our plant and machinery and other civil and electrical works which shall be utilized from the Net proceeds from this Issue to fund the planned expansion as explained in the section "Object of the Issue" beginning on page no. 64 of this Red Herring Prospectus. As part of the said Objects, our Company proposes to acquire various plant & machinery and other civil and electrical works aggregating to Rs. 182.71 lakhs which is [●]% of the total Issue size. These are based on our estimates and third party quotations subject to number of variables such as changes in management view of desirability of current plans, changes in supplier equipment etc. We cannot guarantee that the same will be available at same cost as the quotations obtained today and the same will have to be purchased at rates prevailing at the time of placing such order. Further, there may be other unforeseen changes in taxes, technology and vendors which may require us to change various specifics of the machinery. Also, our Company is subject to risks on account of inflation in the price of the machinery. Any delay in placing the orders or their supply thereof may result in cost and time overrun which may adversely affect our profitability.

**18. *Certain statutory filings made by our Company contain discrepancies/errors and have not complied with statutory provisions of the Companies Act, 1956/2013. We cannot assure you that our Company will not be subjected to any liability on account of such discrepancies.***

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

For instance, there have been in the past, certain errors in statutory filings and corporate records such as our company has not complied with section 123 of the Companies Act, regarding opening of separate bank account for the payment of dividend and unclaimed dividend, however no amount of dividend is due to be paid as on date. There are few discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of

Companies, which inter-alia includes erroneous selection of Independent category of Directors in Form 32 at the time of appointment of Mr. Manoj Choukhany as additional Director and Whole Time director. Also, the Company has not filed the requisite form with the ROC for change in terms of appointment of the Whole Time Director, Transfers inadvertently not shown in Annual return, Clerical errors in various forms filed with ROC etc. While, we have not received any show cause notice from the concerned authorities for the same, we cannot assure you that no penalty will be imposed on the Company for the said lapse in future.

Further, there are certain forms which are filed with delayed fees in the past with ROC such as Charge satisfaction for which we have filed the requisite ROC forms for the condonation of delay. Although, the above discrepancies and errors were inadvertent, there can be no assurance that our Company will not be subjected to any liability on account of these discrepancies and errors. As we continue to grow, there can be no assurance that such deficiencies in our internal controls will not arise, giving rise to recurrences of such discrepancies / errors that could subject our Company to the applicable consequences under the Companies Act, which could adversely affect our business and reputation.

No show cause notice has been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its director(s), in which event the financials of the Company and its directors shall be affected.

- 19. *We are exposed to foreign currency exchange rate fluctuations, which may impact our results of operations and cause our results to fluctuate. Our inability to manage our foreign currency risk may harm our results of operations and cause our results to fluctuate and/or decline.***

Our financial statements are presented in Indian Rupees. However, our expenses to some extent are influenced by the currencies of those countries from where we procure some of our raw materials. We face an exchange rate risk primarily arising from our foreign currency payables. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. dollar, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us, depending on the appreciation or depreciation of Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations, suffer losses on account of foreign currency fluctuations for our goods procurement and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times which may harm our results of operations.

- 20. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of financing the 'Objects of the Issue'. hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer "Objects of the Issue" on page no. 64 of this Red Herring Prospectus.

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

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial

condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

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

Our performance depends largely on the efforts and abilities of our Promoters, members of our business team and other key managerial personnel. We believe that the inputs and experience of our Promoters are valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our key managerial personnel including our business heads for the day to day management of our business operations. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation and provide bonuses and perquisites more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons, and the inability to find suitable replacements in a timely manner, may have an adverse effect on our business and our results of operations.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key managerial personnel may adversely affect our business, results of operations and financial condition.

- 23. *The fund requirement mentioned as a part of the objects of the Issue is based on internal management estimates and has not been appraised by any bank or financial institution.***

We intend to utilize Issue proceeds towards meeting the fund required to set up plant to manufacture ABS Luggage Bags, Working Capital Requirement and General Corporate Purposes and such deployment is based on Internal Management estimates and strategy which our company believes to implement in future and has not been appraised by Bank or any financial Institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

Furthermore, we may need to vary the objects of the Issue due to several factors or circumstances including competitive and dynamic market conditions, variation in cost structures, changes in estimates due to cost overruns or delays, which may be beyond our control. However, pursuant to Section 27 of the Companies Act, 2013, any variation in Object of the Issue requires authorization of shareholders by way of Special resolution.

- 24. *The growth of online retailers may adversely affect our pricing ability, which may have an adverse effect on our results of operations and financial condition.***

We sell our products to customers through modern trade channels, which include online retailers. Over the last few years, India has witnessed the emergence and growth of such online retailers and the market penetration of online retail in India is likely to continue to increase. Such online retailers sell multiple brands on their platforms, providing customers the ability to compare products and prices across brands. While we believe this provides us with an opportunity to increase the visibility of our brands, it also increases the negotiating position of such online retailers. We cannot assure you that we will be able to negotiate our agreements with such online retailers, specially our pricing or credit provisions, on terms favourable to us, or at all. In the event that these companies continue to gain market share, they may impact our profitability, undermine sales through our dealers and may be able to increase commission rates and negotiate other favourable contract terms. Further, our competitors may be able to negotiate better or more favourable terms with such online retailers. Any inability on our part to enter into agreements and on terms favourable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition.



**25. *Any failure to retain and attract additional skilled employees, could have a material adverse effect on our business, financial condition and results of operations.***

Our success depends in part on our ability to retain and attract additional skilled employees. Without a sufficient number of skilled employees, our operations could suffer. Our experienced sales team has also developed a number of meaningful customer relationships that would be difficult to replace. Competition for qualified technical personnel and operators as well as sales personnel with established customer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Any failure to retain and attract additional skilled technical or sales personnel could have a material adverse effect on our business, financial condition and results of operations.

**26. *Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors, and inventories. As on March 31, 2019, we have been sanctioned working capital of Rs.995 lakhs from Axis Bank Limited. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

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

Our revenues and profits are dependent on several factors such as retaining our key managerial personnel, our complying with laws, managing costs and expenses, maintaining adequate inventory levels and general market conditions. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and the financial condition. In the past, we have made dividend payments to the Shareholders of our Company. We may retain all our future earnings, if any, for use in the operations and expansion of our business and we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Further, our ability to pay dividends will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. Therefore, although, we have consistently maintained the profit levels and reserves, there can be no assurance that we shall have distributable funds or that we will declare dividends. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "Dividend Policy" on page 129 of this Red Herring Prospectus.

**28. *Our Financing arrangement contains restrictive covenants of lender in respect of loan/credit facilities availed from them which may adversely affect our business, results of operations and financial conditions.***

As of March 31, 2019, we have an outstanding debt of Rs. Rs. 1381.65 Lakhs on consolidated basis. The loan agreement contains requirements to maintain certain security margins, financial ratios and contain restrictive covenants relating to entering into any new scheme of arrangement, changes in control, making material changes to the Articles of Association, making changes to the management or business of the Company and incurring further indebtedness. For further details, see "Statement of Financial Indebtedness" on page 154 of this Red Herring Prospectus.

There can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations. Any future failure to satisfactorily comply with any condition or covenant under our loan facilities (including technical defaults) or inability to repay our loans as and when due, may lead to a termination of our credit facilities acceleration of amounts due under such facilities, and enforcement of events of default as well as cross-defaults under certain of



our other financing agreements, any of which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating.

**29. *Excessive dependence on the Axis Bank Limited in respect of obtaining financial facilities.***

Most of our fund based and non fund based financial assistance has been sanctioned by Axis Bank Limited. We have been sanctioned the financial assistance on the security of our Warehouse situated at A 44, Changodar Industrial Estate, Sanand, Ahmedabad and Residential house of our promoters. Any default under such arrangement or non renewal or renewal of the sanction on any adverse term with such lender may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials. For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 154 of this Red Herring Prospectus.

**30. *Our Registered office, Branch Office and showroom are located on leased premises from where our business activities are carried. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be a material adverse effect on our business, financial condition and operations.***

We do not own the Registered Office, Branch Office and showroom from which we operate. The said offices are taken by us on lease/rent basis. If any of the owners of these leased or license premises do not renew the agreements/arrangements under which we occupy the premises or we also cannot assure that lessor will not terminate the rental agreement prior to expiry or at the time of expiry of the agreement, we may suffer a disruption in our business operations and might have to relocate. For further details, please see the section “*Our Business*” beginning on page no. 87 of this Red Herring Prospectus.

**31. *Citi Exim Private Limited, our Group Entity is engaged in the similar line of business as to our Company. We cannot assure that our Promoter will not favour the interests of such entity over our interest or that the said entity will not expand, which may increase our competition which may adversely affect our business operations as there are no non compete agreement executed between our Company and Group Entity.***

Our Group Entity namely, Citi Exim Private Limited is engaged in similar line of business as of our Company. We have not entered into any non compete agreement with the said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests can arise on account of common suppliers/customers and in allocating business opportunities amongst our Company and our Group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other entity/entities in which our Promoter has interests. There can be no assurance that our Promoter or our Promoter Group entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability.

**32. *We have in the past entered into related party transactions and may do so in the future. We cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.***

We have in the ordinary course of our business entered, and will continue to enter, into transactions with related parties. While all of our related party transactions are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. In addition, the Companies Act 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such related party transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects, including as a result of potential conflicts of interest or otherwise. For more information regarding our related party transactions, see “*Financial Statements*” on pages 130 of this Red Herring Prospectus.

**33. *Our Company and Subsidiary Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.***

As on March 31, 2019, our Company and Subsidiary Company has availed of unsecured loans aggregating to Rs. 933.58 Lacs which are repayable on demand. We do not have formal agreement with our lenders. For more information regarding the unsecured loans, please refer the Section titled “*Financial Statements*” beginning on page 130 of this Red Herring Prospectus. Any demand from the lenders for repayment of such unsecured loans may adversely affect the financial condition and result of operations of our Company.

34. ***We do not have certain supporting documents for the educational qualification and experience certificates included as part of the profile of promoters and directors included in the section “Our Management” and “Our Promoters and Promoter Group” of this Red Herring Prospectus.***

We do not have certain documents supporting the educational qualification and experience of Mrs. Sonam Choukhany, our Promoter and Mr. Manoj Soni, Our Independent Non- Executive Director and experience certificates of our directors included as part of profile of the promoters and directors as disclosed in the sections “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on page 112 and 125 of this Red Herring Prospectus. Such information included in this Red Herring Prospectus is based on the affidavit and declaration provided by the promoters and directors, certifying such information. Therefore, we cannot assure you that such information relating to the educational background and experience certificates of our Promoters and directors are complete, true and accurate.

35. ***Our Promoters have extended personal guarantees in relation to certain debt facilities obtained by our Company. In the event that our Company defaults on any of these debt obligations, the personal guarantees may be invoked by the lenders, thereby adversely affecting our Promoters’ ability to manage the affairs of our Company, which in turn could adversely affect our business, financial condition and results of operations.***

Our Promoters, have given personal guarantees, for a sanctioned amount of Rs. 995 Lakhs as on the date of this Red Herring Prospectus, in relation to the debt facilities obtained by our Company. Our Promoters may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoters may be invoked and/ or the security may also be enforced, which could negatively impact the reputation and networth of the Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

36. ***We engage in a highly competitive business and if we fail to compete effectively, it would have a material adverse effect on our business, financial condition and results of operations.***

The markets in which we sell our products are highly competitive and we face significant competition from organized and unorganized Luggage traders and manufacturers. We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. Our Competitiveness is also measured by the technology we adopt as the industry is rapidly growing in India. Our inability to compete with this intense competition; will have material adverse impact on our Company's financial position.

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

Upon completion of the Issue, our Promoters and Promoter Group will own [.] % of the post-issue Equity Share capital of the Company. As a result, the Promoters and Promoter Group will have the ability to exercise significant influence over all matters requiring shareholders’ approval, including the election of directors and approval of significant corporate transactions. The Promoters and Promoter Group will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control. For further details of Promoters’ shareholding, please see section titled “*Capital Structure*” on page no. 51 of this Red Herring Prospectus.

38. ***Our Promoters and certain of our Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, certain of our Directors and Key Managerial Personnel may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits. Further, our Promoters and certain Directors and key managerial personnel may be deemed to be interested to the extent of equity shares held by them. For further details, please see the sections entitled “*Our Management*” and “*Our Promoters and Promoter Group*” and “*Information with respect to Group Companies*” on page no. 112, 125 and 176 of this Red Herring Prospectus.

39. ***Industry information included in this Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third party research agency, Dun & Bradstreet, to prepare an industry report titled “*Indian Luggage Industry*” dated February, 2018 for purposes of inclusion of such information in this Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus.

40. ***We have had negative cash flows in the past and may continue to have negative cash flows in the future.***

The following table sets forth our cash flow for the periods indicated, in accordance with the Restated Consolidated Financial Statements:-

(Amount in Rs in Lakhs)

Particulars	For the Financial Year Ended March 31,		
	2019	2018	2017
Net cash flow from/(used in) operating activities	(242.11)	181.87	181.01
Net Cash Flow from/(used in) Investing Activities	(89.80)	(2.13)	(11.24)
Net Cash Flow from/(used in) Financing Activities	282.22	(207.50)	(97.32)

Our inability to generate and sustain adequate cash flows in the future could adversely affect our results of operations and financial condition and the trading price of our Equity Shares. Such negative cash flows led to a net decrease in cash and cash equivalents for respective years. For further details, see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 130 and 156, respectively. We cannot assure you that our net cash flows will be positive in the future.

41. ***Our efforts to protect our intellectual property and to avoid infringing on the intellectual property rights of others may not be successful, which could affect the reputation of our brands and business operations.***

Our Company has registered two trademarks i.e.  and  under class 18 of the Trademarks Act, 1999 in respect of Travelling bags and other travel gear accessories. For further details, see Government and Other approvals on page 172 respectively. We believe that our trademarks are key drivers to sustain our branding. The infringement or the inability to protect our intellectual property rights could materially and adversely affect our business, financial condition, results of operations and prospects.

We believe that our intellectual property rights gives us a competitive advantage that protects the goodwill, promote our brand name recognition, enhance our competitiveness and otherwise support our business goals and objectives. The precautions we take to protect our intellectual property rights, may be inadequate and unauthorized use or other misappropriation of our trademarks may cause a decline in our revenues and force us to incur costs related to enforcing our rights or protecting and promoting our brands. While we have taken and will continue to take protective actions with respect to our intellectual property, these actions may not be sufficient to prevent, and we may not be aware of all incidents of, unauthorized usage or imitation by others. Moreover, other parties may challenge the validity, scope and protection of our intellectual property. Any such unauthorized usage or imitation of our intellectual property, including the costs related to enforcing our rights, any legal action or time could adversely affect our business and results of operations.

**42. *Our insurance cover may be inadequate to fully protect us from all losses and may in turn adversely affect our financial condition.***

We maintain such insurance coverage as we believe is adequate to cover the important assets of the Company. Our Company has obtained insurance coverage which consist of Standard Fire and Special Perils Insurance in respect of building and stock and motor vehicles. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Further, with respect to the insurances maintained by us, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected.

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

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

**44. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs.10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**45. *Third party industry and statistical data in this Red Herring Prospectus may be incomplete, incorrect or unreliable.***

Neither Book Running Lead Manager nor we have independently verified the data obtained from the official and industry publications and other sources referred in this Red Herring Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, see section titled "Industry Overview" beginning on page 77 of this Red Herring Prospectus.

## EXTERNAL RISK FACTORS

### Risk relating to India

- 46. *A decrease in travel levels could negatively impact sales of our travel luggage, which could adversely affect our profitability and our financial position.***

Sales of travel luggage, which makes up the majority of our sale are significantly dependent on travel as a driver of consumer demand. The growing “wealth effect” in emerging markets and the growth in low cost airlines in both developed and emerging economies, among other factors, have contributed to increased spending on travel luggage over the past ten years. A significant portion of our customers travel by air, and many of our premium products incorporate innovations, such as ultra-lightweight materials or TSA safety locks, that are useful for air travel. However, the travel industry is highly susceptible to certain kinds of events that can negatively affect demand for travel and Air travel is particularly vulnerable to these kinds of events. To the extent that the travel industry is impacted by events that negatively affect travel levels, sales of our travel luggage could decline significantly, which could have a material adverse effect on our profitability and financial position.

- 47. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI (ICDR) Regulations contained in this Red Herring Prospectus.***

As stated in the reports of the Auditor included in this Red Herring Prospectus under section “*Financial Statements*” beginning on page 130, the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “*Key Regulations and Policies*” on page 99 of this Red Herring Prospectus for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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



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

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

**49. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**51. *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 non- residents 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.

**52. *The extent and reliability of Indian infrastructure could adversely affect our Company’s results of operations and financial condition.***

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

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



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

**54. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**55. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**Risks Relating to the Equity Shares**

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a Stock Exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian Stock Exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised Stock Exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a Stock Exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long term capital gains exceeds Rs. 1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of Rs. 1,00,000/- p.a. shall be chargeable at the rate of 10%.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

- 57. *The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

The price of our Equity Shares on the Stock Exchanges may fluctuate after the Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; adverse media reports about us; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal regulations.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

- 58. *Investors other than retail (including non institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI (ICDR) Regulations, 2018 Investors other than retail (including non institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

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

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Managers through the Book Building Process. This price will be based on numerous factors, as described under "Basis for Issue Price" beginning on page 72 of this Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Issue Price.

## SECTION IV: INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Particulars	No. of Equity Shares
Public Issue of Equity Shares	29,24,000* Equity Shares of face value of Rs. 10/- each aggregating up to Rs. [●] lakhs.
<b>Consisting of</b>	
Market Maker Reservation Portion	1,48,000* Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] /- per Equity share aggregating up to Rs.[●] lakhs.
Net Issue to Public**	27,76,000* Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] /- per share aggregating up to Rs. [●] lakhs.
<b>of which</b>	
A) QIB Portion	No shares shall be reserved for allocation to QIBs. **
B) Retail Portion	13,88,000 Equity Shares of face value of Rs. 10/- each
C) Non- Retail Portion	13,88,000 Equity Shares of face value of Rs. 10/- each
<b>Pre and post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	75,19,876 Equity Shares of face value of Rs. 10/- each
Equity Shares outstanding after the Issue	1,04,43,876 Equity Shares of face value of Rs. 10/- each
Use of Net Proceeds	Please refer to the section titled " <i>Object of the Issue</i> " beginning on page 64 of this Red Herring Prospectus for information about the use of the proceeds from the Fresh Issue.

\*Number of shares may need to be adjusted for lot size upon determination of the Issue Price.

\*\* There are no equity shares reserved for allocation to QIB Portion. However, QIBs can apply in the IPO.

Notes:

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- The present Issue has been authorized by our Board by way of resolution passed at its meeting held on May 24, 2019 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on June 15, 2019.
- The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, wherein not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs. Further not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. For further details, see "Issue Procedure" beginning on page 196 of this Red Herring Prospectus.
- In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

For further details please refer to section titled "Issue related Information" beginning on page 187 of this Red Herring Prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE I  
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	67.86	67.86	67.86
(b) Reserves and Surplus	729.99	369.80	134.17
<b><u>(2) Share Application Money Pending Allotment</u></b>	-	-	-
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	719.07	301.59	341.00
(b) Long term provision	12.46	11.06	9.53
(c) Other Long-Term Liabilities	-	-	-
(d) Deferred Tax Liability	-	-	-
<b><u>(4) Current Liabilities</u></b>			
(a) Short-Term Borrowings	1301.86	1,495.50	1,279.59
(b) Trade Payables	286.24	816.35	262.04
(c) Other Current Liabilities	483.25	203.98	178.48
(d) Short-Term Provisions	79.51	62.16	10.56
<b>Total</b>	<b>3680.24</b>	<b>3,328.30</b>	<b>2,283.23</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>			
- Tangible Assets	202.02	141.56	156.31
- Intangible Assets	-	-	-
- Capital Work in Progress	-	-	-
(b) Non-Current Investments	-	-	-
(c) Deferred Tax Assets	14.98	11.24	12.31
(d) Long Term Loans And Advances	27.10	27.48	26.12
(e) Other Non Current Assets	-	-	-
<b><u>(2) Current Assets</u></b>			
(a) Inventories	1,647.54	1,138.54	714.24
(b) Trade receivables	1,560.62	1,510.10	1,098.94
(c) Cash and Cash Equivalents	58.78	108.46	136.23
(d) Short-Term Loans And Advances	66.70	312.51	132.69
(e) Other Current Assets	102.51	78.40	6.39
<b>Total</b>	<b>3680.24</b>	<b>3,328.30</b>	<b>2,283.23</b>

Note: The above statement should be read with the restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexure II, III and IV respectively.

**ANNEXURE II**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS AS RESTATED**

(Amount in Rs. in Lacs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Revenue:</b>			
Revenue from Operations (Net of Taxes)	6,827.62	6,074.05	5,239.12
Other Income	21.03	19.64	4.86
<b>Total Revenue(A)</b>	<b>6,848.65</b>	<b>6,093.69</b>	<b>5,243.98</b>
<b>Expenses:</b>			
Cost of Material Consumed	-	3.01	2.11
Purchase of Stock in Trade	6,092.03	5,266.59	4,305.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-509.00	-427.31	186.90
Employee benefit expenses	220.16	211.81	168.98
Financial Cost	251.32	179.02	161.19
Depreciation and amortization expenses	29.72	18.33	17.63
Others Expenses	345.01	466.57	320.79
<b>Total Expenses(B)</b>	<b>6,429.23</b>	<b>5,718.03</b>	<b>5,163.01</b>
Profit before exceptional, extraordinary items and tax (A-B)	<b>419.42</b>	<b>375.66</b>	<b>80.97</b>
Less: Exceptional Items	-	-	-
Profit before extraordinary items and tax	419.42	375.66	80.97
Prior Period Items	-	-	-
Extra ordinary items	-	-	-
<b>Profit before tax</b>	<b>419.42</b>	<b>375.66</b>	<b>80.97</b>
<i>Tax expense :</i>			
Current tax	-78.24	-65.23	-17.20
Deferred Tax - Current Year	3.74	-1.07	-0.45
<b>Profit/(Loss) for the period After Tax- PAT</b>	<b>344.92</b>	<b>309.37</b>	<b>63.32</b>

Note: The above statement should be read with the restated of assets & liabilities, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, III and IV respectively.

**ANNEXURE III**  
**CONSOLIDATED STATEMENT OF CASH FLOW AS RESTATED**

(Amount in Rs. in Lacs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Cash Flow From Operating Activities:</b>			
Net Profit before tax as per Profit and Loss A/c	419.42	363.99	80.97
<b>Adjustments for:</b>			
Depreciation & Amortization Expense	29.72	18.33	17.63
Foreign currency translation difference	15.28	-71.69	29.78
Interest Income	-	-2.81	-0.01
Finance Cost	135.26	166.04	152.43
<b>Operating Profit Before Working Capital Changes</b>	<b>599.68</b>	<b>485.54</b>	<b>280.79</b>
Working Capital Adjustment			
Increase/(Decrease) in Short term borrowing	-193.64	215.91	228.39
Increase/(Decrease) in Trade Payable	-530.11	554.31	28.35
Increase/(Decrease) in Other current liabilities	279.27	25.50	21.64
Increase/(Decrease) in provisions	18.75	53.13	5.27
(Increase)/Decrease in Inventories	-509.00	-424.30	189.00
(Increase)/Decrease in Trade receivables	-50.52	-411.16	-497.10
(Increase)/Decrease in Short-Term Loans And Advances	245.81	-179.82	-61.62
(Increase)/Decrease in Other Current Assets	-24.11	-72.01	3.48
<b>Cash Generated From Operations</b>	<b>-163.87</b>	<b>247.09</b>	<b>198.20</b>
Appropriation of Profit	-	-	-
Net Income Tax paid/ refunded	-78.24	-65.23	-17.20
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>-242.11</b>	<b>181.87</b>	<b>181.01</b>
<b>Cash Flow From Investing Activities:</b>			
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	-90.17	-3.59	-13.01
Interest Income	-	2.81	0.01
Net (Increase)/Decrease in Long Term Loans & Advances	0.37	-1.35	1.76
Net (Increase)/Decrease in other Non current assets			
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>-89.80</b>	<b>-2.13</b>	<b>-11.24</b>
<b>Cash Flow from Financing Activities:</b>			
Proceeds From issue of Share Capital			
Net Increase/(Decrease) in Long Term Borrowings	417.48	-39.41	55.11
Net Increase/(Decrease) in Short Term Borrowings	-	-	-
Interest on borrowings	-135.26	-166.04	-152.43
Proposed Dividend	-	-1.70	-
Dividend Distribution Tax	-	-0.35	-
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>282.22</b>	<b>-207.50</b>	<b>-97.32</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	-49.69	-27.77	72.44
Cash & Cash Equivalents As At Beginning of the Year	108.46	136.23	63.79
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>58.78</b>	<b>108.46</b>	<b>136.23</b>

Notes:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
2. Figures in Brackets represents outflow.
3. The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II and IV respectively.



### SECTION V: GENERAL INFORMATION

Our Company was incorporated on April 26, 1989, as "*Kal-Chop Export Private Limited*" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat bearing Registration Number 04-12165. We subsequently changed the name of our Company from "*Kal-Chop Export Private Limited*" to "*Camex Auxi- Chem Private Limited*" vide a fresh Certificate of Incorporation issued by Registrar of Companies, Gujarat dated December 15, 1989. Our Company obtained another fresh certificate of incorporation pursuant to change of name from "Camex Auxi-Chem Private Limited" to "Camex Tradelink Private Limited" dated April 18, 2002 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. Subsequently, our Company was converted into public limited company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on January 11, 2010 and the name of our Company was changed to "*Camex Tradelink Limited*" vide a fresh Certificate of Incorporation dated April 8, 2010 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. Our Company obtained another fresh certificate of incorporation pursuant to change of name from "Camex Tradelink Limited" to "Goblin India Limited" dated August 24, 2015 issued by the Registrar of Companies, Ahmedabad. For further details, please refer to the section titled "*History and Certain Corporate Matters*" on page no. 107 of this Red Herring Prospectus.

#### **Registered Office of the Company**

Camex House, 1st Floor, Commerce Road,  
Navrangpura ,Ahmedabad-380009  
Gujarat, India.  
**Telephone:** +91 79-26465080,  
**Website:** www.goblinindia.com  
**Email:** info@goblinindia.com  
**Registration No.-** 012165

#### **Designated Stock Exchange**

**SME Platform of BSE**  
P.J. Towers, Dalal Street, Fort,  
Mumbai, Maharashtra, 400001  
**Website:** [www.bseindia.com](http://www.bseindia.com)

#### **Registrar of Companies**

**The Registrar of Companies, Ahmedabad**  
ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad-380013  
**Telephone:** +91- 79-27438531;  
**Email:** roc.ahmedabad@mca.gov.in

#### **Board of Directors**

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

<b>Name and Designation</b>	<b>Age</b>	<b>DIN</b>	<b>Residential Address</b>
Mr. Manojkumar Choukhany <b>Designation:</b> Chairman and Managing Director	53 Years	02313049	B-501, Palak Crystal, Nr. Satyagrah Chhavni Ramdevnagar Cross road, Satellite Ahmedabad 380015, Gujarat, India.
Mrs. Sonam Choukhany <b>Designation:</b> Whole Time Director	46 Years	08071455	B/501, Palak Crystal, Nr. Satyagrah Chhavni, Ramdevnagar Cross Road, Satellite, Ahmedabad 380015 ,Gujarat, India
Mr. Manish Agrawal <b>Designation:</b> Non Executive Director	49 Years	01296404	2B Tara Chand Dutta Street, Chittaranjan Avenue, Circus Avenue, Kolkata - 700073
Mr. Manmohan Dixit <b>Designation:</b> Independent Director	62 Years	02093149	43, Sardar Patel Nagar , Off. C.G Road, near Samudra Complex ,Ellisbridge, Ahmedabad-380006, Gujarat, India.
Mr. Manoj Soni <b>Designation:</b> Independent Director	56 Years	08415016	56/A- Dutt Society , Near Ramji Mandir, Bhatta Paldi, Ahmedabad-380007, Gujarat, India.

For details of our Directors, see the section titled "Our Management" on page 112 of this Red Herring Prospectus.

#### **Chief Financial Officer of our Company**

Our Company has appointed Mr. Manish Indramal Nagori, as the Chief Financial Officer (CFO). The contact details are set forth hereunder:

Mr. Manish Indramal Nagori

##### **Goblin India Limited**

Camex House 1st Floor, Commerce Road

Navrangpura Ahmedabad-380009

Gujarat, India

**Telephone:** +91 79-26465080

**Email:** Manish.nagori@goblinindia.com

#### **Company Secretary and Compliance Officer of our Company**

Ms. Nikita Suyani

##### **Goblin India Limited**

Camex House, 1st Floor, Commerce Road,

Navrangpura Ahmedabad-380009

Gujarat, India

**Telephone:** +91-79-6630 7400

**Email:** cs@goblinindia.com

Investors can contact our Company Secretary and Compliance Officer and/ or Registrar to the Issue and/ or BRLM in case of any pre- Issue or post- Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account. Non receipt of refund orders and non-receipt of funds by electronic mode etc.

All grievances relating to ASBA Process and UPI Mechanism may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Form was submitted. The applicant should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

For all Issue related queries and for redressal of complaints, Applicant may also write to the BRLM. All complaints, queries or comments received by Stock Exchange and SEBI shall be forwarded to the BRLM, who shall respond to the same.

#### **Designated Intermediaries**

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

##### **FAST TRACK FINSEC PRIVATE LIMITED**

B-502, Statesman House, 148,

Barakhamba Road, New Delhi- 110001

**Telephone:** +91 1143029809

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

**Email:** [mb@ftfinsec.com](mailto:mb@ftfinsec.com)

**Investor mail:** [investor@ftfinsec.com](mailto:investor@ftfinsec.com)

**Contact person:** Mr. Pawan Kumar Mahur

**SEBI registration number:** INM000012500

##### **Legal Counsel to the Issue**

##### **MV KINI, Law Firm**

Kini House, 6/39, Jangpura-B,

New Delhi-110 014, India.

**Telephone:** + 91-11-24371038/39/40, +91-9899016169

**Facsimile:** +91-11-24379484

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

**Email:** [raj@mvkini.com](mailto:raj@mvkini.com)

**Contact Person:** Ms. Raj Rani Bhalla

**Registrar to the Issue**

**BIGSHARE SERVICES PRIVATE LIMITED**

1 st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Makwana Road,  
Marol, Andheri East, Mumbai – 400059

**Telephone:** +91-022-62638200

**Facsimile:** +91-022-62638299

**Email:** ipo@bigshareonline.com

**Contact Person:** Mr. Babu Rapheal

**Website:** www.bigshareonline.com

**SEBI Registration Number:** INR000001385

**CIN:** U99999MH1994PTC076534

**Statutory Auditors**

**M/s O R Maloo & Co.,**

Chartered Accountants

403 , Shaival Plaza , 4<sup>TH</sup> Floor , Gujarat College Road ,  
Ellisbridge , Ahmedabad

**Telephone:** +91 79-26420336

**Fax:** 079-2624100

**Email:** omkar@ormaloo.com

**Firm registration no:** 135561W

**Peer review number:** 009105

**Contact Person:** Mr. Omkar Maloo

*# M/s. O R Maloo & Co. holds a valid peer reviewed certificate dated June 30, 2016 issued by the Institute of Chartered Accountants of India.*

**Banker to the Company**

**AXIS BANK LIMITED**

2<sup>nd</sup> Floor, 3<sup>rd</sup> Eye one, C G Road, Ahmedabad-380009.

**Telephone:** +91 7966147103

**Email:** manan.bhatt@axisbank.com

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

**Contact Person:** Mr. Manan Bhatt

**Banker to the Issue**

ICICI Bank Limited

Capital Market Division,

1st Floor, 122, Mistry Bhavan,

Dinshaw Vachha Road,

Backbay Reclamation,

Churchgate, Mumbai – 400020

Telephone no.: 022-66818911/23/24

Fax No.: 022-22611138

Email: [kmr.saurabh@icicibank.com](mailto:kmr.saurabh@icicibank.com)

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

Contact Person: Mr. Saurabh Kumar

**Syndicate Member**

Vijeta Broking India Private Limited

1/C, Jijibhoy Industrial Estate,

2nd Floor, Ram Mandir Road,

Opposite Vakharia Estate,

Goregaon (W), Mumbai-400104,  
Maharashtra, India  
Telephone no.: 022-42023366  
Email: [Mehul@vijetabroking.com](mailto:Mehul@vijetabroking.com)  
Contact Person: Mr. Mehulkumar Kantilal Shah

#### **Advisor to the Issue**

**360 Financial Consultants LLP**  
26A Chetak Marg, behind JK loan hospital,  
JLN Marg, Jaipur-302015, Rajasthan, India.  
**Telephone:** +91-97848 42020  
**Website:** [www.360financials.com](http://www.360financials.com)  
**Email:** [vaibhavtotuka.28@gmail.com](mailto:vaibhavtotuka.28@gmail.com)  
**Contact person:** Mr. Vaibhav Totuka

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

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

#### **Designated Intermediaries**

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

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, see the above-mentioned link.

##### **2. Investors Bank or Issuer Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

##### **3. Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

##### **4. Registrar to Issue and Share Transfer Agents**

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

The list of the RTAs eligible to accept Bid cum Application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

##### **5. Collecting Depository Participants**

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

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

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time and updated from time to time

## **6. Brokers to the Issue**

All brokers registered with SEBI & members of the Recognised Stock Exchange can act as brokers to the Issue.

### **Experts**

Except the report of the Statutory Auditors namely, M/s. O R Maloo & Co., Chartered Accountants on statement of possible tax benefits and report on Restated Financial Statements as included in this Red Herring Prospectus, our Company has not obtained any expert opinion.

### **Credit Rating**

As the Issue is of Equity Shares, credit rating is not required.

### **Debenture Trustees**

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

### **IPO Grading**

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

### **Monitoring Agency**

In terms of Regulation 262(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.10,000 Lakhs. Since the Issue size is only of Rs. [●] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **Appraising Agency**

Our Company has not appointed any appraising agency for appraisal of the Project.

### **Filing of Offer Document**

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR) Regulations. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Red Herring Prospectus shall be furnished to the SEBI in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus and Prospectus along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 will be delivered to the Registrar of Company, Ahmedabad, situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013.

### **Book Building Process**

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all

editions of a widely circulated Hindi Newspaper and a widely circulated Regional Newspaper, Gujarati being the regional language of Ahmedabad, where our registered office is situated at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process is:-

1. Our Company;
2. The Book Running Lead Manager in this case being Fast Track Finsec Private Limited;
3. The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
4. The Registrar to the Issue and;
5. The Designated Intermediaries;

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid 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 BRLM and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Retail Individual Investors applying in public offer shall use only UPI as a payment mechanism for making application. For details in this regards, specific attention are invited to the section titled “*Issue Procedure*” beginning on page 196 of this Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 196 of this Red Herring Prospectus.

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

Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20.00 to Rs.24.00 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount(Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

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



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

1. Check eligibility for making a Bid (see section titled “Issue Procedure” on page 196 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories;
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

### Underwriter

Our Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten.

The Underwriting Agreement entered into by our Company with the Underwriter is dated August 21, 2019. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are subject to certain conditions specified therein. The Underwriter has indicated their intention to underwrite the following number of specified securities being offered through this Issue. The details of the Underwriting commitments are as under:

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
<b>Fast Track Finsec Private Limited</b> Address: B-502, B Wing Statesman House, 147 Barakhamba Road New Delhi Central Delhi Telephone: +91-11-43029809 Website: <a href="http://www.ftfinsec.com">www.ftfinsec.com</a> Email: <a href="mailto:mb@ftfinsec.com">mb@ftfinsec.com</a> Investor mail: <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a> Contact person: Mr. Pawan Kumar Mahur Email: <a href="mailto:mb@ftfinsec.com">mb@ftfinsec.com</a>	29,24,000	[●]	100%

*\*Includes 1,48,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

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

### Changes in Auditors during Last Three Financial Years

There have been no changes in the Auditors in last three financial years preceding the date of this Red Herring Prospectus.

### Details of Market Making Arrangement for the Issue

Our Company and Book Running Lead Manager have entered into Market Making Agreement dated August 21, 2019 with the following Market Maker registered with BSE Limited in order to fulfil the obligations of Market Making.

### Market Maker

<b>Name</b>	Vijeta Broking India Private Limited
<b>Address</b>	1/C, Jijibhoy Industrial Estate, 2nd Floor, Ram Mandir Road, Opposite Vakharia Estate, Goregaon (W), Mumbai-400104, Maharashtra, India

<b>Tel No.</b>	022-42023366
<b>Fax No.</b>	-
<b>E-mail</b>	Mehul@vijetastockbroking.com
<b>Contact Person</b>	Mr. Mehulkumar Kantilal Shah
<b>SEBI Registration No.</b>	INZ000254833
<b>Market Maker Reg. No.</b>	SMEMM0327827052019

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(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the BSE and SEBI from time to time.
3. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to offer their holding to the Market Maker(s) (*individually or jointly*) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the BSE SME Platform (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the SME Platform of BSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing two (2) way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
10. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
12. The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running 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 261 of the SEBI (ICDR) Regulations. Further our Company and the

Book Running 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 (5) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.

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

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.

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

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.

**15. Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

No.	Market Price Slab (In Rs.)	Proposed spread (in % to sale price)
1.	Upto 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

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

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

**17. 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.**

## SECTION VI: CAPITAL STRUCTURE

Our Company's share capital, as of the date of filing this Red Herring Prospectus, before and after the proposed Issue, is set forth below:

*Amount (Rs. in Lacs except share data)*

No.	Particulars	Aggregate Nominal Value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,10,00,000 Equity Shares having face value of Rs. 10 each	1100.00	--
<b>B.</b>	<b>Issued, Subscribed and Paid Up Capital before the Issue*</b>		
	75,19,876 Equity Shares having face value of Rs. 10 each	751.99	--
<b>C.</b>	<b>Present Issue in terms of this Red Herring Prospectus <sup>(1)</sup></b>		
	Fresh Issue of 29,24,000 Equity Shares having face value of Rs. 10.00 each at a price of Rs. [●] per Equity Share <sup>(1)</sup>	292.40	[●]
	<b>Which comprises of:</b>		
	Market Maker Reservation Portion of 1,48,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●] per Equity Share	14.80	[●]
	Net Issue to Public of 27,76,000 Equity Shares having face value of Rs. 10/- each at a price of Rs. [●] per Equity Share	277.60	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-up Capital after the Issue</b>		
	1,04,43,876 Equity Shares of face value of Rs. 10 each	1044.39	[●]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	-	
	After the Issue		[●]

<sup>(1)</sup>The Issue has been proposed and authorized by Board of Directors of Company pursuant to a resolution passed at its meeting held on May 24, 2019 and by our Equity Shareholders pursuant to special resolution passed at the Annual General Meeting held on June 15, 2019 under section 62(1)(c) of the Companies Act, 2013.

The Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up.

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

### **1. Changes in the Authorized Share Capital of the Company since incorporation:**

The Authorized Share Capital of our Company at the time of incorporation was Rs. 1,00,000 divided into 10,000 Equity Shares of Rs. 10.00 each. The following table gives the changes in the Authorized Capital post Incorporation of our Company:

Sr. No.	Particulars of Increase	Type of meeting	Date of shareholders' approval
1.	Increase in authorized capital from Rs. 1 Lacs to Rs. 5 Lacs comprising of 50,000 Equity shares of Rs. 10.00 each.	EGM	December 28, 1990.
2.	Increase in authorized capital from Rs. 5 Lacs to Rs. 25 Lacs comprising of 2,50,000 Equity shares of Rs. 10.00 each.	EGM	October 20, 1997.
3.	Increase in authorized capital from Rs. 25 Lacs to Rs. 50 Lacs comprising of 5,00,000 Equity shares of Rs. 10.00 each.	EGM	November 15 2005.
4.	Increase in authorized capital from Rs. 50 Lacs to Rs. 1 Crore comprising of 10,00,000 Equity shares of Rs. 10.00 each	EGM	December 15, 2010
5.	Increase in authorized capital from Rs. 1 Crore to Rs. 11 Crores comprising of	EGM	February 08,

Sr. No.	Particulars of Increase	Type of meeting	Date of shareholders' approval
	1,10,00,000 Equity shares of Rs. 10.00 each		2018

**Notes on Capital Structure:**

**2. Equity Share capital history of our Company**

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (Rs.)
On Incorporation**	200	10.00	10.00	Cash	Subscription to the MoA <sup>(i)</sup>	200	2,000
November 07, 1990**	50,700	10.00	10.00	Cash	Further Allotment <sup>(ii)</sup>	50,900	5,09,000
March 28, 1998**	6,600	10.00	10.00	Cash	Further Allotment <sup>(ii)</sup>	57,500	5,75,000
August 25, 2004	1,00,100	10.00	50.00	Cash	Further Allotment <sup>(iv)</sup>	1,57,600	15,76,000
December 06, 2005	1,50,000	10.00	50.00	Cash	Further Allotment <sup>(v)</sup>	3,07,600	30,76,000
February 09, 2007	1,00,000	10.00	50.00	Cash	Further Allotment <sup>(vi)</sup>	4,07,600	40,76,000
March 30, 2011	2,71,000	10.00	20.00	Cash	Preferential Allotment <sup>(vii)</sup>	6,78,600	67,86,000
June 06, 2019	21,03,660	10.00	Nil	-	Bonus Issue in ratio of 31:10 <sup>(viii)</sup>	27,82,260	2,78,22,600
June 14, 2019	1,10,000	10.00	89.34	Cash	Preferential Allotment <sup>(ix)</sup>	28,92,260	2,89,22,600
June 24, 2019	46,27,616	10.00	Nil	-	Bonus Issue in ratio of 16:10 <sup>(x)</sup>	75,19,876	7,51,98,760

*\*\*We have placed reliance on the disclosures made in the Statutory Registers, to ascertain the details of the issue of Equity Shares, the nature of allotment and the nature of consideration since Form 2 for the relevant allotment is not present in the records of the Company and is not found in the records of the RoC, as certified by M/s. Ravi Kapoor & Associates, Company Secretaries. For further information, please refer to section titled "Risk Factors" beginning on page 21 of this Red Herring Prospectus.*

**Notes:**

**i. The Initial Subscribers to the Memorandum of Association of our Company were:**

Names of Allottees	Number of Equity Shares
Ashwinkumar M. Kalaria	100
Chandraprakash B. Chopra	100
<b>Total</b>	<b>200</b>

**ii. Further Allotment of 50,700 Equity Shares to:**

Names of Allottees	Number of Equity Shares
Ravindrakumar P. Lunia	500
Kantadevi Ravindrakumar Lunia	500
Jitendra Chopra	500
Niharika Chopra	200

Indradevi Chopra	500
Vijay Chopra	1500
Bhanwarlal Chopra	1000
Chandraprakash B. Chopra	9800
Jayshree C Chopra	20000
Rahul Chopra	200
Devendra Chopra	10000
Indradevi D Chopra	500
Indramal Nagori	5500
<b>Total</b>	<b>50,700</b>

**iii. Further Allotment of 6,600 Equity Shares to:**

Names of Allottees	Number of Equity Shares
Mehti Devi D Chopra	1000
Niharika C Chopra	200
Dhanraj Chopra	5000
Rahul Chopra	400
<b>Total</b>	<b>6,600</b>

**iv. Further Allotment of 1,00,100 Equity Shares to:**

Names of Allottees	Number of Equity Shares
Ankush Holdings Limited	50,000
Aaishref Khodiar Leasing and Finance Pvt Limited	50,000
Anand M Jain HUF	100
<b>Total</b>	<b>1,00,100</b>

**v. Further Allotment of 1,50,000 Equity Shares:**

Names of Allottees	Number of Equity Shares
Ankush Finstock Limited	50,000
Medha Projects Limited	50,000
G.K. Fincap Limited	50,000
<b>Total</b>	<b>1,50,000</b>

**vi. Further Allotment of 1,00,000 Equity Shares:**

Names of Allottees	Number of Equity Shares
Prabhavi Investments Private Ltd	50,000
Bhavana Investments Private Limited	50,000
<b>Total</b>	<b>1,00,000</b>

**vii. Preferential Allotment of 2,71,000 Equity Shares:**

Names of Allottees	Number of Equity Shares
Manojkumar J Choukhany	1,56,000
Sonam Manojkumar Choukhany	67,500
Gautam Gaurav Choukhany	47,500
<b>Total</b>	<b>2,71,000</b>

**viii. Bonus Issue of 21,03,660 Equity Shares of face value of Rs. 10/- each fully paid at par on June 06, 2019 in ratio of 31 Equity Shares for every 10 Equity Share held as per the details given below:**

Names of Allottees	Number of Equity Shares
Manojkumar Choukhany	11,71,180
Sonam Manojkumar Choukhany	4,31,830
Chandraprakash B Chopra	1,99,020
Prakash Taparia	30,380
Nirmala Taparia	4,650
Riya Manoj Choukhany	1,550
Manish Nagori	17,050
Ramsahay Mangilal Agrawal HUF	1,24,000
Ms. Geetaben Ramniwas Gupta	49,600
Prashant Ramgopal Gupta HUF	37,200



Names of Allottees	Number of Equity Shares
Viral Ramgopal Gupta HUF	37,200
<b>Total</b>	<b>21,03,660</b>

**ix. Preferential Allotment of 1,10,000 Equity Shares:**

Names of Allottees	Number of Equity Shares
Yogesh Choudhary	1,10,000
<b>Total</b>	<b>1,10,000</b>

**x. Bonus Issue of 46,27,616 Equity Shares of face value of Rs. 10/- each fully paid at par on June 24, 2019 in ratio of 16 Equity Shares for every 10 Equity Share held as per the details given below:**

Names of Allottees	Number of Equity Shares
Manojkumar Choukhany	24,78,368
Sonam Manojkumar Choukhany	9,13,808
Chandraprakash B Chopra	4,21,152
Prakash Taparia	64,288
Nirmala Taparia	9,840
Riya Manoj Choukhany	3,280
Manish Nagori	36,080
Ramsahay Mangilal Agrawal HUF	2,62,400
Ms. Geetaben Ramniwas Gupta	1,04,960
Prashant Ramgopal Gupta HUF	78,720
Viral Ramgopal Gupta HUF	78,720
Yogesh Choudhary	1,76,000
<b>Total</b>	<b>46,27,616</b>

**3. Preference Share capital history of our Company**

Our Company does not have any preference share capital as on the date of this Red Herring Prospectus.

**4. Details of Allotment made in the last two (2) years preceding the date of this Red Herring Prospectus**

Except as mentioned in point 2(viii), (ix) and (x) above, Our Company has not made any allotment in last 2 (two) years preceding the date of this Red Herring Prospectus.

**5. Equity Shares issued for consideration other than cash**

Except as set out below, we have not issued Equity shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company
June 06, 2019	21,03,660	10	-	Bonus in the ratio of 31:10 i.e. 31 Equity Shares for every 10 Equity Share held	Capitalization of Reserves & Surplus
June 24, 2019	46,27,616	10	-	Bonus in the ratio of 16:10 i.e. 16 Equity Shares for every 10 Equity Share held	Capitalization of Reserves & Surplus

6. As on the date of this Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 or sections 230- 240 of the Companies Act, 2013.

7. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

8. Our Company has not revalued its assets since incorporation and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

9. Issue of Equity Shares at a price lower than the Issue Price in the last one (1) year

Except as mentioned in point 2(viii) and (x) above, Our Company has not made any issue of specified securities at a price lower than the Issue Price during the preceding one (1) year from the date of filing of this Red Herring Prospectus.

## 10. Shareholding Pattern of our company

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

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Convertible Securities	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No(a)	As a % of total Shares held (b)	
								Equity shares	Class:y	Total								
(A)	Promoters & Promoter Group	3	5517616	-	-	5517616	73.37	5517616	-	5517616	73.37	-	-	-	-	-	-	2122160
(B)	Public	9	2002260	-	-	2002260	26.63	2002260	-	2002260	26.63	-	-	-	-	-	-	660100
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>12</b>	<b>7519876</b>	<b>-</b>	<b>-</b>	<b>7519876</b>	<b>100</b>	<b>7519876</b>	<b>-</b>	<b>7519876</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2782260</b>

### Notes:

- We have already entered tripartite agreement with NSDL and CDSL dated March 14, 2018 and February 15, 2018 and have received the ISIN – INE492Z01018.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Shares.

**11. The list of the shareholders of the company holding 1% or more of the paid up share capital aggregating to 80% or more of the paid up share capital of the company:**

i. As on the date of this Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Pre Issue paid up Equity Shares
1.	Mr. Manojkumar Choukhany	40,27,348	53.56
2.	Mrs. Sonam Manojkumar Choukhany	14,84,938	19.75
3.	Mr. Chandra Prakash B Chopra	6,84,372	9.1
4.	Ramsahay Mangilal Agrawal HUF	4,26,400	5.67
5.	Yogesh Choudhary	2,86,000	3.8
6.	Geetaben Ramnivas Gupta	1,70,560	2.27
7.	Prashant Ramgopal Gupta HUF	1,27,920	1.7
8.	Viral Ramgopal Gupta HUF	1,27,920	1.7
9.	Mr. Prakash Taparia	1,04,468	1.39
	<b>Total</b>	<b>74,39,926</b>	<b>98.94</b>

ii. ten days prior to the date of this Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Pre Issue paid up Equity Shares
1.	Mr. Manojkumar Choukhany	40,27,348	53.56
2.	Mrs. Sonam Manojkumar Choukhany	14,84,938	19.75
3.	Mr. Chandra Prakash B Chopra	6,84,372	9.1
4.	Ramsahay Mangilal Agrawal HUF	4,26,400	5.67
5.	Yogesh Choudhary	2,86,000	3.8
6.	Geetaben Ramnivas Gupta	1,70,560	2.27
7.	Prashant Ramgopal Gupta HUF	1,27,920	1.7
8.	Viral Ramgopal Gupta HUF	1,27,920	1.7
9.	Mr. Prakash Taparia	1,04,468	1.39
	<b>Total</b>	<b>74,39,926</b>	<b>98.94</b>

iii. One year prior to the date of this Red Herring Prospectus\*:

Sr. No.	Particulars	No. of Equity Shares	% of Pre Issue paid up Equity Shares
1.	Mr. Manojkumar Choukhany	1,96,000	28.88
2.	Mrs. Sonam Manojkumar Choukhany	1,02,500	15.10
3.	Mr. Chandra Prakash B Chopra	1,00,000	14.74
4.	Mr. Rahul C Chopra	66,600	9.81
5.	Mrs. Jayshree C Chopra	60,000	8.84
6.	Mr. Devendra Chopra	60,000	8.84
7.	Mr. Kalpesh Chopra	38,500	5.67
8.	Mr. Gautam Gaurav Choukany	47,500	7.00
	<b>Total</b>	<b>6,71,100</b>	<b>98.89</b>

\*Details of shares held on September 21, 2018 and percentage held has been calculated based on the paid up capital of our Company as on September 21, 2018.

iv. Two years prior to the date of this Red Herring Prospectus\*:

Sr. No.	Particulars	No. of Equity Shares	% of Pre Issue paid up Equity Shares
1.	Mr. Manojkumar Choukhany	1,96,000	28.88
2.	Mrs. Sonam Manojkumar Choukhany	1,02,500	15.10
3.	Mr. Chandra Prakash B Chopra	1,00,000	14.74

4.	Mr. Rahul C Chopra	66,600	9.81
5.	Mrs. Jayshree C Chopra	60,000	8.84
6.	Mr. Devendra Chopra	60,000	8.84
7.	Mr. Kalpesh Chopra	38,500	5.67
8.	Mr. Gautam Gaurav Choukany	47,500	7.00
	<b>Total</b>	<b>6,71,100</b>	<b>98.89</b>

*\*Details of shares held on September 21, 2017 and percentage held has been calculated based on the paid up capital of our Company as on September 21, 2017.*

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Red Herring Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the issue, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

### 13. Build-up of our Promoter's Shareholding, Promoter's Contribution and Lock-in

#### 13.1 Build-up of our Promoter's shareholding in our Company

The current Promoters of our Company are Mr. Manojkumar Choukhany and Mrs. Sonam Choukhany. As on the date of this Red Herring Prospectus, our Promoters collectively hold 55,12,286 Equity Shares, which constitutes approximately 73.30 % of the issued, subscribed and paid-up Equity Share capital of our Company.

None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the equity shareholding of our Promoters, since the incorporation of our Company.

#### Mr. Manojkumar Choukhany

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue/ Acquisition/ Sale Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre Issue equity share capital	% of post Issue equity share capital
March 30, 2011	1,56,000	10.00	20.00	Cash	Further allotment	2.07	1.49
May 28, 2015	40,000	10.00	50.00	Cash	Acquisition of shares by way of transfer	0.53	0.38
September 25, 2018	47,500	10.00	89.34	Cash	Acquisition of shares by way of transfer	0.63	0.45
May 02, 2019	35,800	10.00	89.34	Cash	Acquisition of shares by way of transfer	0.48	0.34
May 09, 2019	60,000	10.00	89.34	Cash	Acquisition of shares by way of transfer	0.80	0.57
May 15, 2019	38,500	10.00	89.34	Cash	Acquisition of shares by way of	0.51	0.36

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue/ Acquisition/ Sale Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre Issue equity share capital	% of post Issue equity share capital
					transfer		
June 06, 2019	11,71,180	10.00	Nil	-	Bonus Issue	15.57	11.21
June 24, 2019	24,78,368	10.00	Nil	-	Bonus Issue	32.96	23.73
<b>Total</b>	<b>40,27,348</b>					<b>53.56</b>	<b>38.56</b>

### Mrs. Sonam Choukhany

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue/ Acquisition/ Sale Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre Issue equity share capital	% of post Issue equity share capital
March 30, 2011	67,500	10.00	20.00	Cash	Further allotment	0.90	0.65
May 28, 2015	35,000	10.00	50.00	Cash	Acquisition of shares by way of transfer	0.47	0.34
May 02, 2019	36,800	10.00	89.34	Cash	Acquisition of shares by way of transfer	0.49	0.35
June 06, 2019	4,31,830	10.00	Nil	-	Bonus Issue	5.74	4.13
June 24, 2019	9,13,808	10.00	Nil	-	Bonus Issue	12.15	8.75
<b>Total</b>	<b>14,84,938</b>					<b>19.75</b>	<b>14.22</b>

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Book Running Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

As on the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoters are subject to any pledge. Our Company has not issued any preference shares to our Promoters as on the date of this Red Herring Prospectus.

### 13.2 Details of Promoters' Contribution Locked-in for Three (3) Years

Pursuant to Regulations 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post- Issue equity share capital of our Company held by our Promoters shall be considered as the minimum Promoter's contribution ("**Promoters Contribution**") and shall be locked- in for a period of three (3) years from the date of Allotment of equity shares issued pursuant to this Issue. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.



As on the date of this Red Herring Prospectus, our Promoters collectively hold 55,12,286 Equity Shares constituting 52.78 % of the Post-Issue issued, subscribed and paid-up Equity Share capital of our Company, which are eligible for the Promoters' Contribution.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 52.78 % of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the issue.

Name of Promoter	Date of Allotment/ transfer / made fully paid up	No. of Equity shares locked-in*	Face Value	Issue Price	Nature of transaction	% of Post Issue shareholding	Lock in Period
Mr. Manojkumar Choukhany	June 24, 2019	14,00,000	10	Nil	Bonus Issue	13.40	3 Years
Mrs. Sonam Choukhany	June 24, 2019	8,50,000	10	Nil	Bonus Issue	8.14	3 Years
	<b>Total</b>	22,50,000	10	Nil	-	21.54	3 Years

\*Assuming full subscription to the Issue.

\*The above table will be updated in the Prospectus proposed to be filed by the Company.

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' Contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations. In connection, we confirm the following:

- The Equity Shares offered for minimum 20 % Promoters' Contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price;
- No equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the Issue price.
- The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by the Promoters are in the dematerialized; and
- The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

### 13.3 Details of Share Capital locked in for one year

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, other than the above Equity Shares that are locked in for three years, the entire pre-issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public issue.

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

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 242(a) of the SEBI (ICDR) Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan

has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in these regulations has expired.

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

Further, pursuant to Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the issue may be transferred to any other person holding the equity shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, along with the equity shares proposed to be transferred, provided that lock-in on such equity shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended and in compliance with the Takeover Code, as applicable.

We further confirm that our Promoters' Contribution of [●] % of the post issue Equity Share capital does not include any contribution from Alternative Investment Fund, foreign venture capital investors, scheduled commercial banks, public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India.

14. Except as mentioned below, There were no shares purchased/sold by the Promoters and Promoter Group, directors and their relatives during last six months from the date of filing of this Red Herring Prospectus.

Date of Allotment / transfer/ Acquisition	Name of Allottee / Transferor / Transferee	Party Category	Number of Shares Allotted / Transferred/ Acquired	Face Value	Issue Price / Transfer Price/ Acquisition price	Reason of Allotment / Transfer/ Acquisition
May 02, 2019	Manojkumar Choukhany	Promoter	35,800	10	89.34	Acquisition by way of Transfer
May 15, 2019	Manojkumar Choukhany	Promoter	38,500	10	89.34	Acquisition by way of Transfer
May 9, 2019	Manojkumar Choukhany	Promoter	60,000	10	89.34	Acquisition by way of Transfer
May 02, 2019	Sonam Choukhany	Promoter	36,800	10	89.34	Acquisition by way of Transfer
May 07, 2019	Riya Choukhany	Promoter Group	500	10	89.34	Acquisition by way of Transfer
June 06, 2019	Manojkumar Choukhany	Promoter	11,71,180	10	-	Bonus Issue in the ratio 31:10
	Sonam Choukhany	Promoter	43,18,30			
	Riya Choukhany	Promoter Group	1550			

June 24, 2019	Manojkumar Choukhany	Promoter	24,78,368	10	-	Bonus Issue in the ratio 16:10
	Sonam Choukhany	Promoter	91,38,03			
	Riya Choukhany	Promoter Group	3,280			

**15. The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoters and Promoter Group are as under:**

The table below presents the shareholding of our Promoters and Promoter Group, who hold Equity Shares as on the date of filing of this Red Herring Prospectus:

Name	Pre Issue		Post Issue	
	No. of Equity Shares	% of Pre Issue paid up Equity Shares	No. of Shares	% of Post Issue paid up Equity Shares
<b>Promoters</b>				
Mr. Manojkumar Choukhany	40,27,348	53.56	40,27,348	38.56
Mrs. Sonam Choukhany	14,84,938	19.75	14,84,938	14.22
<b>Promoter Group</b>				
Ms. Riya Manoj Choukhany	5,330	0.07	5,330	0.05
<b>Total</b>	<b>55,17,616</b>	<b>73.38</b>	<b>55,17,616</b>	<b>52.83</b>

\*Assuming full subscription to the Issue.

**16. The average cost of acquisition of or subscription of shares by our Promoter is set forth in the table below:**

Name of the Promoter	No. of Shares held	Average cost of Acquisition (Rs.Per share)
Mr. Manojkumar Choukhany	40,27,348	5.30
Mrs. Sonam Choukhany	14,84,938	4.30

**17.** The Book Running Lead Manager and their respective associates do not hold any Equity Shares as on the date of this Red Herring Prospectus.

**18.** The Book Running Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

**19.** Except as mentioned below, none of the Directors and KMP's hold Equity Shares in our Company as on the date of this Red Herring Prospectus:

Name	Designation	No. of Equity Shares held
Mr. Manojkumar Choukhany	Chairman and Managing Director	40,27,348
Mrs. Sonam Choukhany	Whole Time Director	14,84,938
Mr. Manish Nagori	Chief Financial Officer	58,630
<b>Total</b>		<b>55,70,916</b>

**20.** We have not granted any options or issued any shares under any employee stock option or employees stock purchase scheme and we do not intend to allot any Equity Shares to our Employees under ESOS/ESOP scheme from Proposed Issue.

**21.** As on date of this Red Herring Prospectus, Our Company has Twelve (12) shareholders.

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

preceding the date of filing of this Red Herring Prospectus filed with Stock Exchange.

23. Neither the Book Running Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.
24. There are no Equity Shares against which depository receipts have been issued.
25. We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of filing this Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transactions being completed.
26. Our Company, our Promoters, members of our Promoter Group, our Directors and the Book Running Lead Manager has not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Issue from any person.
27. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus.
28. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Net Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 years lock- in shall be suitably increased, so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. As per RBI regulations, OCBs are not allowed to participate in this Issue.
30. Our Company has not raised any bridge loans against the proceeds of the Issue.
31. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
33. An applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
34. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.
35. Except for the equity shares offered by our promoter(s) group, our Promoters and the members of our Promoter Group will not participate in this Issue.
36. Our Company has not made any public issue since its incorporation.
37. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2019, 2018 and 2017, please refer to paragraph titled Details of Related Parties Transactions as restated in the section titled "*Financial Statements*" on page 130 of this Red Herring Prospectus.
38. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the section titled "*Our Management*" beginning on page 112 of this Red Herring Prospectus.

## SECTION VII: PARTICULARS OF THE ISSUE

### OBJECT OF THE ISSUE

#### Requirement of Funds

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

Our Company proposes to utilise the Net Proceeds from the Issue (“Net Proceeds”) towards the following objects:

1. To set up a plant to manufacture/assemble Acrylonitrile Butadiene Styrene (ABS) Luggage bags at Ahmedabad, Gujarat;
2. Funding the working capital requirement of the Company; and
3. General corporate purposes.

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

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

#### Issue Proceeds

The details of the proceeds of the Issue are set out in the following table:

*(Amount in Rs. In lakhs)*

Particulars	Estimated Amount <sup>1</sup>
Gross Proceeds to be raised through the Issue	[●]
Less- Issue Related Expenses	[●]
<b>Net Proceeds of the Issue (Net proceeds)*</b>	<b>[●]</b>

<sup>(1)</sup>To be finalised on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

\*Net Proceeds of the Issue shall mean Proceeds of the Issue less Issue Expenses.

#### Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in in the following table:

*(Amount in Rs. in Lakhs)*

Sr. No.	Particulars	Amount	Percentage of Net Proceeds
1.	To set up a plant to manufacture/ assemble ABS Luggage bags at Ahmedabad, Gujarat	182.71	[●]%
2.	Funding the working capital requirement of the Company	920.00	[●]%
3.	General corporate purposes <sup>(1)</sup>	[●]	[●]%

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

#### Proposed Schedule of Implementation and Deployment of Funds

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

*(Amount in Rs. in Lakhs)*

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2019-20)
1	To set up a plant manufacture/ assemble ABS	182.71	182.71

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2019-20)
	Luggage bags a at Ahmedabad, Gujarat		
2	Funding the working capital requirement of the Company	920.00	920.00
3	General corporate purposes <sup>(1)</sup>	[●]	[●]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Issue; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The fund requirements mentioned above are based on the internal management estimates of our Company. The fund requirements mentioned above have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution or any other external agency. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

### Means of Finance

The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds, internal accruals and existing debt financing. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

### Details of the Objects of The Issue

The details of the objects of the Issue are set out below.

#### 1. To set up a Plant to manufacture/ assemble ABS Luggage bags a at Ahmedabad, Gujarat:

We propose to establish a plant in Ahmedabad, Gujarat to manufacture ABS Luggage which will help the company in reducing the lead time for goods as presently the minimum lead time is 75 to 90 days from china, it will further reduce the cost and will help the company to cater growing demand in Indian market in very competitive price and delivery, even in future can plan to export Made In India goods to other nearby countries. We shall procure ABS sheets in India and produce luggage shell by vacuum forming machine and import wheels/ trolley and other accessories and assemble the luggage bags in the unit. By setting up this unit even take big corporate orders which allows minimum lead time of 30 to 40 days.

For setting up this plant, we already have the land situated at A-44, Changodar, Industrial Estate, Changodar, Ahmedabad where we will set up the unit to manufacture/ Assemble the ABS Luggage bags.



The following table depicts the break-down of the estimated expenses related to the proposed set up of a plant at Ahmedabad:-

(Amount in Rs in Lakhs)

Sr. No.	Particulars	Total Cost
1.	Civil Works	79.90
2.	Plant & Machinery	90.00
3.	Electrification and Installation of Lift	12.81
<b>Total</b>		<b>182.71</b>

The Proposed plan for establishing of a new manufacturing facility includes:-

- 1) *Civil works:* Includes Mezzanine floor with steel structure, Staircase with steel structure, Railing work, Demolition work and Repairing work. We have received quotations for such civil work from third party vendors. However, we have not entered into any definitive agreements with any of such third-party vendors and there can be no assurance that the same vendors would be engaged to eventually undertake the civil works or the estimated cost will not increase due to a possible cost escalation. If we engage someone other than the third party vendors from whom we have obtained quotations, such vendor's estimates and actual costs for the services may differ from the current estimates. Brief details of the such civil work are set forth below:-

(Amount in Rs. in Lakhs)

Sr. No.	Items	Qty	Rate	Unit	Amount
1.	Mezzanine Floor with Steel Structure at First Floor	30.00	97000	Ton	29.10
2.	Mezzanine Floor with Steel Structure at Second Floor	30.00	98000	Ton	29.40
3.	Staircase with Steel Structure at Ground Floor	3.50	110000	Ton	3.85
4.	Staircase with Steel Structure at First Floor	3.50	111000	Ton	3.88
5.	Railing work at Ground Floor	12.00	2000	RMT	0.24
6.	Railing work at First Floor	12.00	2000	RMT	0.24
7.	Demolition and Repairing Work	1.00	100000	Job	1.00
	GST				12.18
	<b>Grand Total</b>				<b>79.90</b>

- 2) *Plant & Machinery:* Our Company intends to purchase machinery for the said plant. Our Company proposes to utilize Rs. 90.00lakhs from the Net Proceeds for the purchase of such machinery. The break-down of the estimated cost is disclosed below:-

(Amount in Rs. in Lakhs)

Sr. No	Machine Name	Nos.	Unit	Amount
1	Vacuum forming Machine-20INCH	1	PCS	11.47
2	Vacuum forming Machine-24INCH/ 28INCH	1	PCS	12.17
3	Scrap Crusher	1	PCS	3.39
4	Air Compressor	1	PCS	3.13
5	Industrial Sewing Machine For Rubber Gasket	1	PCS	1.04

6	Industrial Sewing Machine For Lining	3	PCS	1.67
7	Riveting Machine	2	PCS	1.53
8	Industrial Sewing Machine – Joiner	3	PCS	2.29
9	Luggage Cutting Machine/Hole Punching	1	PCS	4.49
10	Computer Flat Car (For lining)	8	PCS	2.92
11	Hydraulic 4 Column Balanced Cutting Machine	1	PCS	11.06
12	Assembly Line	30	MTR.	12.93
13	Work Bench & others	25	PCS	0.87
14	Assembly Complete Tool Set	2	SET	4.17
15	Pneumatic Drill Manual	20	PCS	0.49
16	Palette Lifter	4	PCS	0.35
17	Fork Lift 12 M	1	PCS	0.28
	Custom Duty, other applicable cess, transportation/freight	-	-	15.73
	<b>Total</b>	-	-	<b>90.00</b>

- 3) *Electrical Installation and Installation of Lift:* Our Company proposes to utilize Rs. 12.81 Lakhs from the Net Proceeds for electrical installations at our manufacturing plant in Ahmedabad, Gujarat. Such installations include Hydraulic loading platform and Electrical work such as Light point, socket point, Cables etc. The break-down of such estimated costs is disclosed below:

*(Amount in Rs. In Lakhs)*

Sr. No.	Particulars	Total Cost
1.	Hydraulic Loading Platform	9.24
2.	Electrical Work	3.57
	<b>Total</b>	<b>12.81</b>

## 2. Funding the working capital requirements of our Company

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

### Basis of estimation of working capital requirement

Our Company's existing working capital requirement and funding on the basis of Standalone Audited Financial Information as of March 31, 2018 and March 31, 2019 are as follows:

*(Amount in Rs. in lakhs)*

Particulars	Fiscal 2019	Fiscal 2018
<b>Current Assets</b>		
Inventories		
Finished Goods	1,647.54	1138.54
Trade Receivables	1,560.62	1510.10
Cash and Bank Balance	58.78	108.46
Short term loans & advances	66.70	312.51

<i>Particulars</i>	<i>Fiscal 2019</i>	<i>Fiscal 2018</i>
Other Current Assets	102.51	78.40
<b>Total (A)</b>	<b>3436.15</b>	<b>3148.01</b>
<b><i>Current Liabilities</i></b>		
Trade Payables	286.24	816.35
Other Current Liabilities & Short Term Provision	562.76	266.14
<b>Total (B)</b>	<b>849.00</b>	<b>1082.49</b>
<b>Total Working Capital (A)-(B)</b>	<b>2587.15</b>	<b>2065.62</b>
<b><i>Existing Funding Pattern</i></b>		
Working Capital funding from Banks	<b>1301.86</b>	<b>1495.50</b>
Internal accruals	<b>1285.29</b>	<b>570.02</b>

On the basis of our existing working capital requirements and the projected working capital requirements, our Board has approved the business plan for the period for Fiscals 2020. The projected working capital requirements for Fiscal 2020 are stated below:

*Amount (Rs. In lakhs)*

<i>Particulars</i>	<i>Fiscal 2020(Estimated)</i>
Inventories	
Finished Goods	1,877.00
Trade Receivables	1,726.45
Cash and Bank Balance	92.00
Short term loans & advances	103.50
Other Current Assets	155.00
<b>Total (A)</b>	<b>3953.95</b>
Trade Payables	440.70
Other Current Liabilities & Short term Provision	390.80
<b>Total (B)</b>	<b>831.50</b>
<b>Total Working Capital (A)-(B)</b>	<b>3122.45</b>
IPO Proceeds	920.00
Working capital loan from bank	1250.50
Internal Accruals	951.95

### Assumption for working capital requirements

Assumptions for Holding Period Levels

*(In months)*

<b>Particulars</b>	<b>Holding Level for March 31, 2018</b>	<b>Holding Level for March 31, 2019</b>	<b>Holding Level for March 31, 2020 (Estimated)</b>
<b>Current Assets</b>			
Inventories	0.90	0.96	1.01
Trade Receivables	2.05	2.08	2.15
<b>Current Liabilities</b>			
Trade Payables	0.80	0.77	0.71

### Justification for "Holding Period" Levels

The justifications for the holding levels mentioned in the table above are provided below:

**Assets- Current Assets**

<b>Assets- Current Assets</b>	
<b>Inventories</b>	We have assumed finished goods inventory of 1.01 months for fiscal 2020 as against 0.90 months for fiscal 2019 to keep in line with our expected increase in turnover in coming year.
<b>Trade receivables</b>	We shall give credit facility of around 2.15 months to our debtors for fiscal 2020 as compared to 2.08 months for fiscal 2019. We intends to provide liberal credit facility to our debtors to increase our business operation.
<b>Liabilities–Current Liabilities</b>	
<b>Trade Payables</b>	We assume trade payable period of 0.71 months for fiscal 2020 as against 0.77 for fiscal 2019. Mainly because our major purchase is import, for which we have to pay either advance or as early as possible and further this would help us in maintaining good relationship with vendors.

Our Company proposes to utilize Rs. 920 lakhs of the Net Proceeds in Fiscal 2020 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2020 will be arranged from existing Equity, Bank loans and internal accruals.

### 3. General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- a) strategic initiatives
- b) brand building and strengthening of marketing activities; and
- c) on-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

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

### Issue Related Expenses

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

*(Amount in Rs. in lakhs)*

<b>Expenses</b>	<b>Expenses <sub>1</sub></b>	<b>Expenses (% of total Issue expenses)</b>	<b>Expenses (% of Gross Issue Proceeds)</b>
Fees payable to the Book Running Lead Manager (including Underwriting commission)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Legal Advisors to the Issue	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the to the Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of Issue stationary	[●]	[●]	[●]
Brokerage and selling commission payable to Syndicate <sup>2</sup>	[●]	[●]	[●]

Expenses	Expenses <sub>1</sub>	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Brokerage and selling commission payable to Registered Brokers <sup>3</sup>	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs <sup>4</sup>	[●]	[●]	[●]
Processing fees to Issuer banks for UPI Mechanism w.r.t application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them <sup>5</sup>	[●]	[●]	[●]
Others (bankers to the Issue, auditor's fees etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

<sup>1</sup>Will be incorporated at the time of filing of the Prospectus.

<sup>2</sup>Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:

Portion for RIIs [●]% ^ (exclusive of GST)

Portion for NIIs [●]% ^ (exclusive of GST)

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price)

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of Rs. [●] (plus applicable GST) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

<sup>3</sup>Registered Brokers, will be entitled to a commission of Rs. [●] (plus GST) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.

<sup>4</sup>SCSBs would be entitled to a processing fee of Rs. [●] (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.

<sup>5</sup>Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of Rs. [●] (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them.

### Bridge Financing

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

### Interim Use of Funds

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

### Monitoring Utilization of Funds

We have not appointed a monitoring agency to monitor the utilisation of the proceeds of the Issue since the Issue size is less than Rs.10,000 lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all

such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Red Herring Prospectus, certified by the statutory auditors of our Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

### **Variation in Objects**

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

### **Other Confirmations**

No part of the Net Proceeds will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Managerial Personnel or Group Companies, except in the normal course of business and in compliance with the applicable laws.



## **BASIS FOR ISSUE PRICE**

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band. Investors should also refer “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” beginning on pages 87, 21 and 130 respectively, of this Red Herring Prospectus, to have an informed view before making an investment decision.

### **QUALITATIVE FACTORS**

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

- Expertise in Global sourcing of diverse luggage products.
- Experienced Promoters.
- Quality and focus on customer satisfaction.
- Established track record.
- Fact Based Design and Sale.

For further details, refer to heading “*Our Competitive Strengths*” under section titled “*Our Business*” beginning on page 88 of this Red Herring Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to the Company is based on the restated consolidated financial statements of the Company for the financial years ended March 31, 2019, 2018 and 2017 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI ICDR Regulations. For details, refer section titled “*Restated Financial Information*” beginning on page 130 of this Red Herring Prospectus. Some of the quantitative factors, which may form the basis for computing the Issue Price, are as follows:

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

<b>Year/Period Ended</b>	<b>Basic and Diluted EPS (Rs.)</b>	<b>Weight</b>
March 31, 2019	50.83	3
March 31, 2018	45.59	2
March 31, 2017	9.33	1
<b>Weighted Average</b>		<b>42.16</b>

*Notes:*

1. *Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year. The figures disclosed above are based on the Restated Consolidated Summary Financial Information of our Company.*
2. *The face value of each Equity Share is Rs.10.*
3. *Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*
4. *Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/ period.*
5. *Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.*

6. *Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].*

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

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
P/E ratio based on Basic & Diluted EPS as at March 31, 2019	[●]	[●]
P/E ratio based on Weighted Average Basic & Diluted EPS	[●]	[●]

**Industry P/E Ratio\***

Particulars	Industry P/E
Highest	45.99
Lowest	43.89
Industry Average	46.27

*\*For the purpose of industry, we believe the VIP Industries Ltd and Safari Industries (India) Ltd are the listed peer Companies engaged in the similar line of business segment i.e. Trading of luggage bags and other travel accessories, business segment in part or full may be comparable with that of our business. However, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.*

Note:

- i. The P/E ratio has been computed by dividing Issue Price with EPS.
- ii. P/E Ratio has been computed based on the closing market price of peer group's equity shares on September 18, 2019 at BSE Limited, as divided by the Basic EPS provided as per the Annual report for the period ending 2018-19.

**3. Return on Net worth (RoNW):**

Year/Period Ended	RoNW(%)	Weight
March 31, 2019	43.23	3
March 31, 2018	70.69	2
March 31, 2017	31.34	1
<b>Weighted Average</b>		<b>50.40</b>

Notes:

1. *The RONW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated by net worth (excluding revaluation reserve, if any) as restated as at year/period end.*
2. *Weighted average RoNW= Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each fiscal] / [Total of weights].*

**4. Net Asset Value (NAV) per share:**

Particulars	Amount Per Share
Net Asset Value per Equity Share as of March 31, 2019	117.57
Net Asset Value per Equity Share after the Issue - At Cap Price	[●]
Net Asset Value per Equity Share after the Issue - At Floor Price	[●]
Issue Price per equity share	[●]

Notes:

1. *Net Asset Value per Equity Share has been computed as Net Worth divided by closing number of equity shares.*

- Issue Price per equity share will be determined on conclusion of Book Building Process and will be updated in the final prospectus to be filed with the Registrar of Companies (ROC).

#### 5. Comparison with listed industry peers:

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates i.e. Retail trading of luggage and travel gear accessories, whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

Name of the Company	Face Value in Rs.	EPS	P/E Ratio	RoNW(%)	NAV Per Share (Rs.)
<b>Peer Group</b>					
VIP Industries Limited	2.00	10.28	43.89	24.98	41.14
Safari Industries (India) Limited	2.00	12.20	45.99	13.56	89.83
<b>The Company</b>					
Goblin India Limited	10.00	50.83	[●]	43.23	117.57

*Notes:*

- The peer group figures based on audited consolidated financials as on and for the year ended March 31, 2019.
- The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Consolidated Financial Statement for the Financial Year 2018-19
- P/E figures for the peer is computed based on closing market price as on September 18, 2019, of relevant peer companies as available at BSE, (available at [www.bseindia.com](http://www.bseindia.com)) divided by Basic EPS for FY 19 reported in the filings made with stock exchanges.
- Return on net worth (%) = Net profit after tax \* 100 / Net worth at the end of the year.
- Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year
- The Issue Price of Rs. [●] will be determined by our Company in consultation with the BRLM, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 21, 87, 130 and 156, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 21 and you may lose all or part of your investments.

**STATEMENT OF POSSIBLE TAX BENEFITS**

To,  
The Board of Directors,  
**Goblin India Limited**  
Camex House, 1st Floor, Commerce Road  
Navrangpura Ahmedabad-380009  
Gujarat, India.

Dear Sir/Ma'am,

**Statement of possible Special tax benefit ('the Statement') available to Goblin India Limited, its Material Subsidiary namely "Goblin France SARL" and the shareholders of the Company prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations').**

We hereby report that the enclosed statement is in connection with the possible special tax benefits available to the Company under the Income-tax Act, 1961, (and indirect tax laws), presently in force in India.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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 Issue. We do not express any opinion or provide any assurance as to whether:

- i. The Company will continue to obtain these benefits in the future; or
- ii. The conditions prescribed for availing of 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.

We hereby indemnify and keep indemnified, saved, defended and harmless the Book Running Lead Manager and Legal Advisors to the proposed IPO of the Company and all persons claiming under them ("**Indemnified Persons**"), from and against all losses and/or damages arising as a result of the aforementioned representations made by me/us in order to disclose details of the same in the Offer Documents including this Red herring Prospectus, Red Herring Prospectus, the Prospectus, the Preliminary International Wrap/Offering Memorandum, the Abridged Prospectus etc., for the Issue or arising as a result of any notices, proceedings, litigations, claims, penalties, demands and costs that may be made and/or raised on the Indemnified Persons by any concerned authority(ies) and/or with regard to any matter arising in connection thereto or otherwise by reason of the matter contemplated herein and/or sustained by the Book Running Lead Manager and/or Legal Advisor to the Issue as a result of any statements, representations, assurances, confirmations herein under given being untrue.

Yours faithfully,  
Sincerely,  
**FOR O R MALOO & CO.**  
(Chartered Accountants)  
FRN: 135561W

**CA OMKAR MALOO**  
(Partner)  
Membership No: 044074

Place: Ahmedabad  
Date: April 29, 2019

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO GOBLIN INDIA LIMITED AND ITS MATERIAL SUBSIDIARY AND ITS SHAREHOLDERS**

The information provided below sets out the possible special tax benefits available to the Company, its material subsidiary and the Equity Shareholder 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 TAXIMPLICATIONS 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 BENEFIT TO THE MATERIAL SUBSIDIARY - NIL
- C. SPECIAL TAX BENEFITS TO THE SHAREHOLDER: - NIL

Notes:

All the above benefits are as per the provisions of the Income-tax Act, 1961, Income-tax Rules, circulars and notifications as amended by Finance Act presently in force in India. They shall be available only to the sole/ first named holder in case the shares are held by the joint holders.

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.

In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences of his/ her participation in the IPO.

The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares. 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 VIII: ABOUT THE ISSUER

### INDUSTRY OVERVIEW

*We have commissioned Dun & Bradstreet to undertake a research report titled "Indian Luggage Industry" dated April, 2018 (the "Dun & Bradstreet Research") for reference in this Red Herring Prospectus. The Report uses certain methodologies for market sizing and forecasting. Neither we, the Book Running Lead Manager, nor any other person connected with the Issue, have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data and are not responsible for any errors or omissions or for the results obtained from the use of the data or their report. Accordingly, investors should not place undue reliance on, or base their investment decision solely on, this information.*

*Industry and market data used in this section have been extracted from the Dun & Bradstreet Research Report. For further details and risks in relation to the Report, see section entitled "Risk Factors" on page 21.*

#### **A Macroeconomic and Demographic Overview of India**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP growth is expected to accelerate moderately to 7.5 per cent in Fiscal Year 19-20, driven by continued investment strengthening, particularly private-improved export performance and resilient consumption. The real GDP growth is estimated at 7.2 per cent in FY18-19, the World Bank said in its latest report on South Asia on Sunday ahead of the spring meeting of the World Bank and the International Monetary Fund.

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

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

- During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.
- India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- Net employment generation in the country reached a 17-month high in January 2019.



The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).

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

Some of the recent initiatives and developments undertaken by the government are listed below:

- In February 2019, the Government of India approved the National Policy on Software Products – 2019, to develop the country as a software hub.
- The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.
- Village electrification in India was completed in April 2018. Universal household electrification is expected to be achieved by March 2019 end.
- The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US\$ 60 billion by 2022.
- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

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

- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).
- India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.
- India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.
- Exchange Rate Used: INR 1 = US\$ 0.0145 as on March 29, 2019

(Source: IBEF, World Bank)

## Overview of the Indian Luggage Industry

The Indian luggage industry is engaged in the production of luggage bags both in hard and soft categories. In the soft category it manufactures bag packs, duffel bags, laptop bags, other business travelling bags and various travel accessories. Growing preference for short haul travel and penchant to travel hassle free is driving demand for new luggage categories away from traditional heavier luggage products. Consequently, luggage manufacturers are

innovating and upgrading their portfolio regularly to meet consumer expectations along with executing right marketing and branding strategies to gain market share. Currently, soft luggage segment account for approximately 75% share in India's luggage industry.

In 2017 the annual market size growth of the luggage and bags industry moderated marginally to about 13% due to temporary disruptive changes (both in organized and unorganized segment) following two major announcements i.e. demonetization and GST. However, favorable long term growth dynamics are in place to support healthy growth in luggage and bags sales in coming years.

**Product Segmentation: By material**

Based on the material used, luggage can be broadly divided into two segments: hard luggage and soft luggage. As the name implies hard luggage are rigid products that does not offer any flexibility. On the other hand, soft luggage is made from material which offers a degree of flexibility.

**Hard Luggage:**

Compared to soft luggage, hard luggage is durable and offers better protection to products stored inside. However, they offer very little flexibility. Luggage made of materials like polycarbonate, ABS (Acrylonitrile-butadiene-styrene), polypropylene and Aluminum are commonly classified as hard luggage.\

**Aluminum:** Among the hard materials, aluminum is the oldest material used to manufacture luggage. However, the introduction of newer and lighter material with same degree of durability offered by aluminum resulted in aluminum luggage losing popularity. Moreover, luggage made of aluminum is costlier than those made from thermoplastic polymers. Although aluminum luggage continues to be made, those cater to the premium segment, and is most often seen as a luxury product in the luggage industry.

**Polycarbonate:** Polycarbonate luggage / plastic molded luggage emerged as the popular hard luggage option. Polycarbonate is lighter than aluminum, while it offers similar or in some cases superior durability. Additionally, the range of colors and patterns available in polycarbonate hard luggage is much more than that available in aluminum luggage.

**ABS:** ABS is the other popular material used to manufacture hard luggage. Although the hard luggage made of ABS is lighter than polycarbonate luggage, it is less durable. Despite this shortcoming, ABS luggage has found favor in the economy segment as it is the cheapest hard material available in luggage industry. Due to this lower cost, ABS has emerged as the preferred material for hard luggage among unbranded players. Although pure ABS is less durable than polycarbonate, it is often being added to polycarbonate to produce hard luggage which are far lighter and durable than luggage made from polycarbonate.

Although hard luggage is far less flexible than soft luggage, its superior protection property has made it a popular option among travelers for their long duration / long distance journeys. Hard luggage has established itself as a popular luggage among airline travelers. This is primarily due to the high probability of damage that can be caused during airline travel, as the luggage is handled by multiple persons at multiple points, often without due care.

**Soft Luggage:**

Soft luggage is luggage made from materials like textile materials i.e. nylon (ballistic nylon and cordura nylon), leather and polyester.

**Nylon:** Among all soft materials available to manufacture luggage, nylon is the most popular. Its popularity stems from a combination of favorable factors like high durability, ease of cleaning, and high resistance to abrasion. This has made nylon the material of choice for soft luggage. Nylon made soft luggage has come to account for a major share of the total luggage market.

There are two types of nylon material used – ballistic nylon and cordura nylon. Of the two, ballistic nylon luggage comes with limited color choices because of the challenges involved in dyeing of ballistic nylon material. Thus

ballistic nylon luggage is mostly made in darker shades. On the other hand, cordura nylon is far easier to dye, and thus is available in a variety of choices. However, cordura nylon offer lower tear resistance when compared to ballistic nylon.

**Polyester:** Among all soft luggage materials available, polyester is the cheapest. This cost advantage has helped in the growth of polyester luggage, which is dominating the economy / value segment of soft luggage. However, the quality of polyester based luggage can vary, which has deterred branded luggage manufacturers from widely adopting polyester as a material of choice.

**Leather:** Leather too offers a degree of flexibility but its adoption is lower because of its higher price. Leather luggage is placed in the premium segment, and it is not considered ideal for regular travel needs. Further its resistance to abrasion is much lower than other materials like nylon and polyester. Additionally, leather is impacted by external elements like moisture while luggage made from nylon and polyester are not.

### **Product Segmentation: By purpose**

On the basis of purpose luggage industry can be segmented into travel luggage (primarily long duration travel), business luggage (primarily business / office bags) and other casual luggage, which include school and college bags. Travel luggage dominates this segment while the concept of business luggage is yet to become widespread.

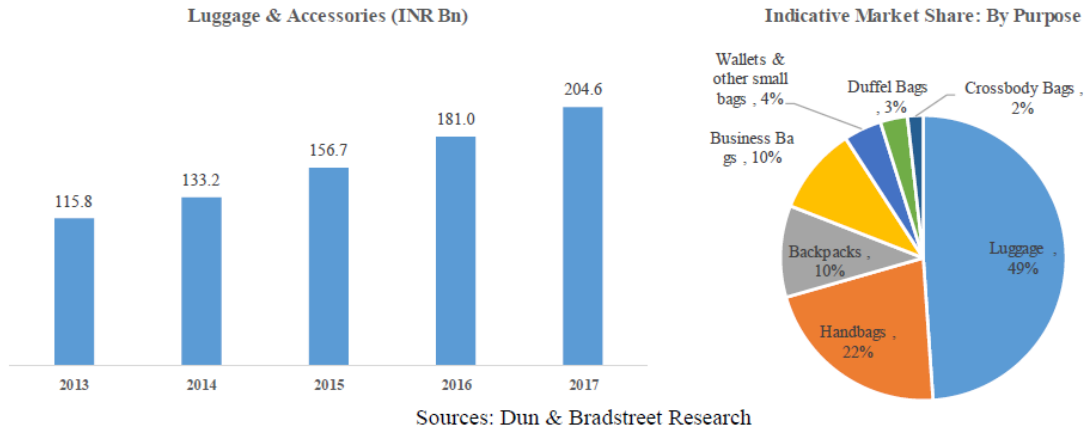
**Travel luggage** segment is a combination of soft and hard luggage, with numerous options available in multiple price points, ranging from mass / economy to premium. Additionally, travel luggage also contains luggage made from all kind of materials, ranging from textile to metal.

**Business luggage** is yet to reach its full potential, but is witnessing high growth due to rapid adoption among the urban office going population. Business luggage has witnessed rapid product innovation and is most often cited as a lifestyle product. Soft luggage is the most preferred option in business luggage segment, due to the flexibility it offers. Textile material like nylon is the popular choice, but leather is fast rising as a major segment in the business luggage segment.

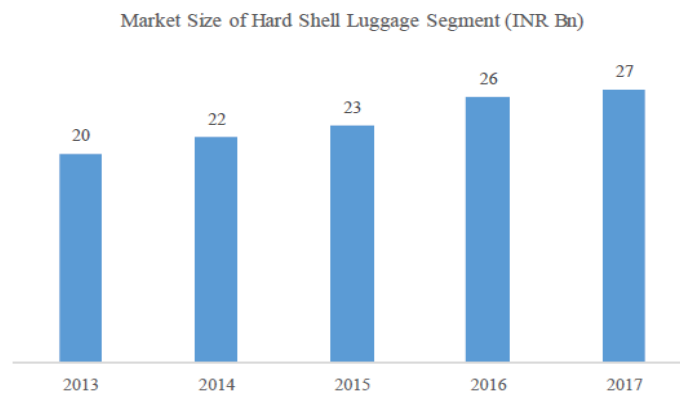
**School/Collage bags:** This segment is dominated by soft luggage products due to its flexibility as well as durability. Due to the nature of its use school and collage bags has the highest probability of suffering from wear and tear. Hence the most abrasion material among soft luggage, i.e. nylon tend to be a popular material to manufacture school and college bags.

### **Historical Growth**

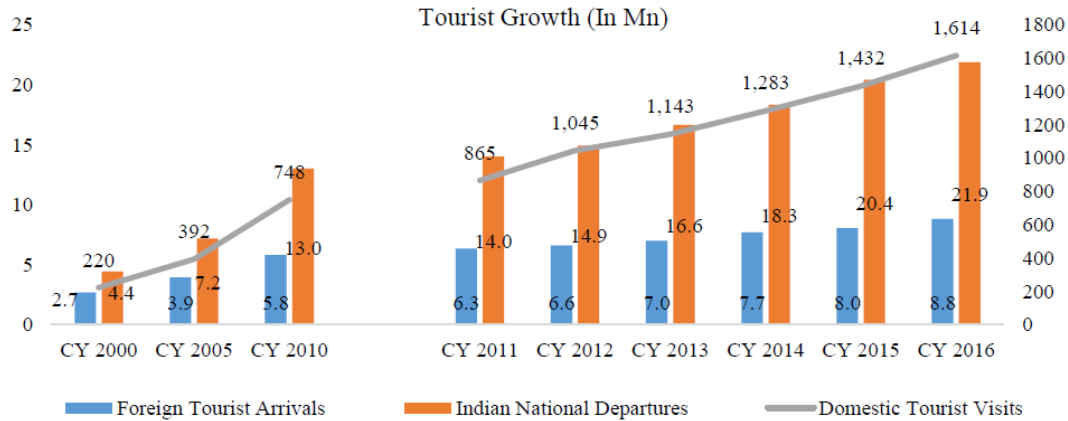
India is one of the major markets for luggage good and bags across the world. Increase in personal disposable income coupled with improvement in travel infrastructure has increased the influx of domestic and foreign travelers in India, travelling either for business or leisure purpose, thereby fueling the growth of Indian luggage bags and accessories industry. Furthermore, growing penetration of organized retail, media and internet are leading to a continuous shift in consumer preference from unbranded to branded products in travel goods and bags segment too. Consequently, India's travel goods and accessories industry have grown at an average rate of ~15% to value at INR 204 Bn in FY 2017. In 2017 the annual market size growth of the luggage and bags industry moderated marginally to about 13% due to temporary disruptive changes (both in organized and unorganized segment) following two major announcements i.e. demonetization and GST. However, favorable long term growth dynamics are in place to support healthy growth in luggage and bags sales in coming years.



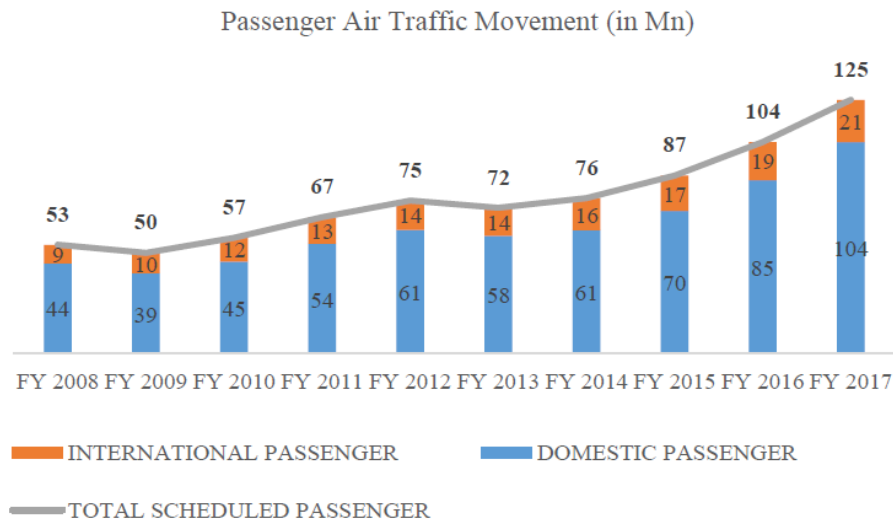
By purpose, luggage bags account for almost half of the industry size by value while handbags come next in line and account for about 22% of the market. In the luggage segment, hard shell luggage is estimated to have grown at a CAGR of 6.5% during the period 2013-17 to touch INR 26 Bn. However, the industry has been witnessing a shift in consumer preference towards soft case luggage over the past few years because of its easy-fit in small spaces. Consequently, as per recent estimates hard shell luggage accounts for 25% share of the luggage market while soft shell luggage accounts for the remaining market.



**Rise in Tourist Growth:** Tourism is an important aspect of the Indian economy. Rising inclination towards travelling and growth in tourism is likely to boost the luggage industry. Over the years, both domestic and international air travel has shown consistent growth presenting good prospects for travel goods market in India. In fiscal year 2017, number of Indian national's departures from India has grown by 7.3% on y-o-y basis, domestic tourist visits to all States have increase by 12.7% y-o-y and number of foreign tourist Arrivals (FTA) have growth grew at 9.7% y-o-y.



**Rapid growth passenger movement in aviation sector:** With rising income and busy work life schedule, India has observed healthy growth in passenger traffic movement via air which is mostly considered to be key consuming segment of branded travel goods products. During FY 2008-17, total scheduled passenger movement via air has increased at CAGR of 9.8% while annually it witnessed 20% y-o-y increase in FY 2017. Increasing passenger traffic movement in aviation sector provide good business prospect to various travel goods manufacturer and suppliers having presence in India.



Sources: Director General of Civil Aviation

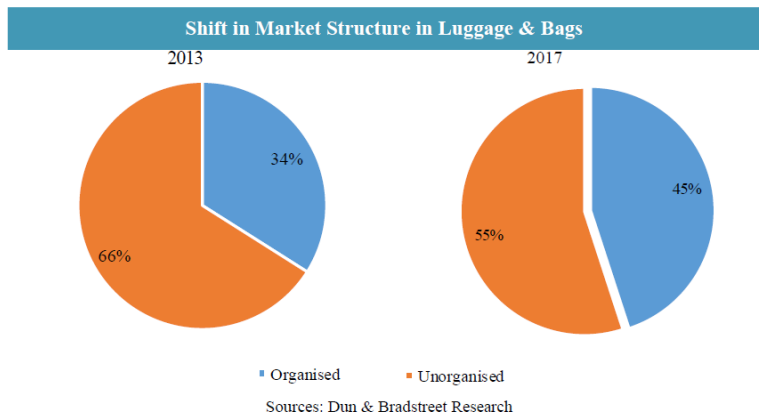
**Government intense focus on tourism growth in India:** Several policy and scheme such as National Tourism Policy 2002, Incredible India 2.0, and ‘Atithi Devo Bhava’, aimed to develop the tourism infrastructure, improve the cleanliness and promote tourist’s safety, are major growth enabler for the Indian luggage industry. Also, Swadesh Darshan- Integrated Development of Theme Based Tourist Circuits scheme launched in 2014-15 focuses on developing infrastructure for 15 circuits. National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASHAD) focuses on development of important pilgrimage sites to tap the domestic religious people. Specific target audience for Luggage industry is expected to be driven in regards to such schemes on tourism. In Union budget 2018-19, allocation to tourism industry has been increased to INR 19.94 Bn from INR 16.35 Bn in the year 2017-18. Luggage industry is estimated to have a positive impact with higher allocation to tourism sector.

### Major Trends of Industry Luggage Industry

Evolving lifestyle, increasing brand consciousness and fashion awareness, multiple earning member per family, weekend vacation culture and greater willingness to spend on leisure is defining the growth trajectory of luggage bags and accessories market across the world including India. Luggage industry has seen shift from tin trunks and

suitcases made of plywood to technologically superior plastic molded hard luggage and flexible soft luggage. Major transformation the luggage goods industry experiencing is discussed below:

**Growing Preference for Branded Luggage Goods driving organized segment sale:** With growing influx of modern retailing, rising fashion consciousness and aspiration levels, luggage bags and accessories is fast evolving from *utility item* to a *lifestyle product* and is considered as a *status symbol* which in turn is driving wider acceptance for branded luggage bags including high end luggage goods in premium segment. Today, branded travel bags are not just an important gifting item for bridal wedding gift but people otherwise too buy branded suitcases and strollers to meet different purpose of their travel need. Thus, *industry is witnessing a shift from an unorganized luggage market to an organized one.*



**Growth of New luggage category:** Growing preference for short haul travel and love to travel hassle free and hands free is key trend among Millennial, who constitute a considerable portion of Indian population. Thus, the demand for *new luggage categories* including wheeled travel products, soft luggage uprights, polycarbonate uprights, scratch and water-resistant backpacks and duffel bags category is on rise, away from traditional heavier luggage products made of Poly Propylene. Consequently, luggage manufacturers are innovating and upgrading their portfolio regularly to meet consumer expectation along with executing right marketing and branding strategies to gain market share.

**Innovation in Luggage Industry:** Increasing internet penetration has made the luggage industry witness an innovation drive. Addition of tracking systems, automated locking systems, Bluetooth features, GPS, built-in batteries, phone charging, weighing scale, inbuilt speaker and other various tech savvy features have created a niche smart luggage market. These additional benefits and innovation in luggage industry is estimated to have a positive effect on the industry and attract the attention of millennial.

**GST & Luggage industry:** Initially, travel goods product was kept under 28% GST slab rate which was revised downwards to 18% in November 2017. With 18% GST rate, the price differential between branded and unbranded categories is likely to be reduced as tax evasion done through under invoicing was one of the major sources of competitiveness for unorganized market players in luggage segment. Thus, by reducing price differential among branded and unbranded product, GST is likely to encourage sale of branded luggage goods.

**Impact of currency exchange rate fluctuations**

A fluctuation in currency rate can impact the sourcing strategy of luggage manufacturers, primarily the sourcing of soft luggage materials like duffel bags and back packs. Some of the major branded luggage makers depends upon China for their soft luggage requirement, and hence has a substantial exposure to currency fluctuations. With Indian currency weakening against the dollar, the cost of imports has increased. In the meanwhile, the popularity of soft luggage increased in India, leading to strong demands. With major brands depending on China for their soft luggage sourcing needs, the volume of imports went up, leading to higher import cost incurred.

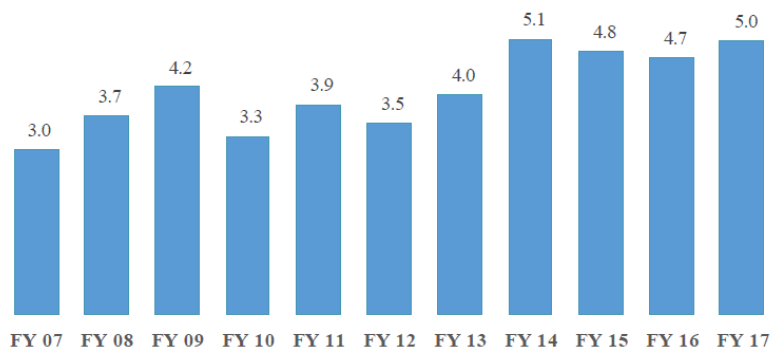
**Luggage bag exports from India touches INR 5 Bn per annum**



India exports a wide range of luggage bags, which include trolley bags, duffel bags, brief case, vanity bags, and hand bags, to all corners of the world. Bags exported include those made from polycarbonate, ABS, canvas, textile, leather and other plastic materials. During the past ten years, the average export value of luggage bags from India has been in the range of INR 4 Bn, with average growth rate hovering around 6% per annum.

By the fiscal year 2017, the total value of luggage bags exported from India reached INR 5 Bn, only second such instance in 2007-17 period wherein luggage bag exports touched INR 5 Bn. Previously, such instance happened during FY 2014 when the value of exports reached INR 5.1 Bn.

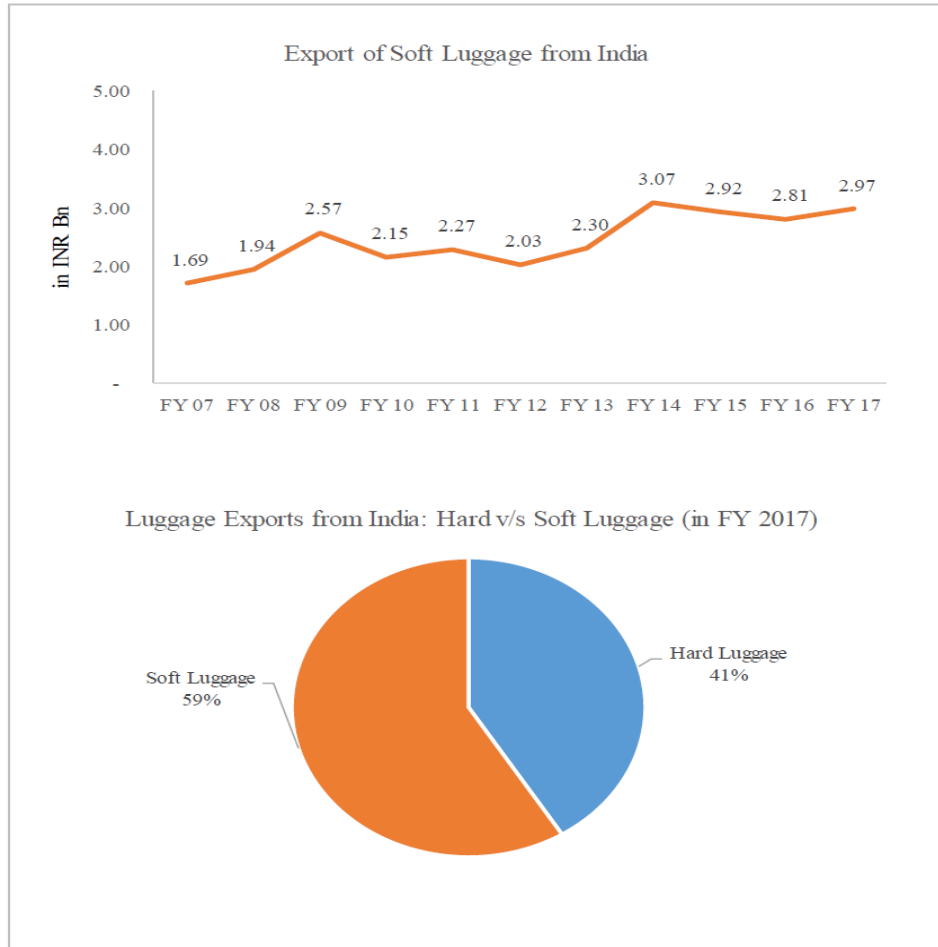
Export of Luggage Bags from India (in INR Bn)



Source: Directorate General of Foreign Trade (DGFT)

### Soft luggage bags account for more than 50% of exports

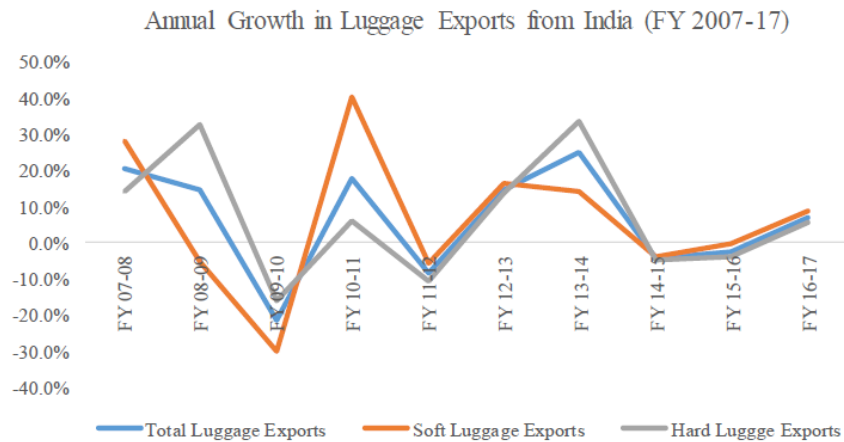
Luggage bags made from leather and textile constituted more than half of the luggage exports from India. The share of soft luggage never went below 50% of total luggage exports in the past ten years. On an average, soft luggage has accounted for close to 60% of total luggage export during FY 2007-17 period. By FY 2017, the total value of soft luggage exported from India reached INR 2.8 Bn per annum.



Source: Directorate General of Foreign Trade (DGFT)

**Annual growth trend in luggage exports**

Luggage exports from India during the last ten years has been erratic, with growth interspersed with steep decline. However, the year-on-year growth in luggage exports, wherein the growth as well as contraction cycle appears to follow a set pattern. This points to an element of seasonality in luggage exports.



Source: Directorate General of Foreign Trade (DGFT)

## Major Players & Product Segmentation

As India's demographic profile possesses potential to consume diversified products ranging from mass consumer items to premium goods, the country has witnessed launch of various brands across all segments from both, domestic and international players.

Below is the table of major companies and their product portfolio across varied price segments:-

Company	Products Segment	Brands
<b>VIP Industries Ltd</b>	1) Hard Luggage 2) Soft Luggage 3) Duffel Bags 4) Backpacks 5) Business Bags: a. Laptop Bags b. Satchels 6) Brief Cases 7) Vanity Cases 8) Travel Accessories 9) Rucksacks	<ul style="list-style-type: none"> <li>➤ Aristocrat &amp; Alfa: Mass segments</li> <li>➤ VIP &amp; Skybag: Economy Segment</li> <li>➤ Carlton &amp; Caprese: Premium Segment</li> </ul>
<b>Safari Industries (India) Ltd.</b>	Soft Luggage, Duffle Bags, Backpacks, PC trolley, School Bags, Laptop Bags, PP Luggage With acquiring Genius & Genie luggage maker Safari Industries marked its entry into the school-bags and backpacks segment.	Primarily caters to Mass Segment

## Financial Performance of Leading Industry Players

### VIP Industries

(Rs. in lakhs except PAT Margin)

Particulars*	FY 2019	FY 2018	FY 2017
Revenue	178444	141634	127482
PAT	12881	11857	7598
EBITDA	21083	19064	12734
PAT Margin(%)	7.21	8.37	5.96

### Safari Industries (India) Ltd.

(Rs. in lakhs except PAT Margin)

Particulars*	FY 2019	FY 2018	FY 2017
Revenue	57262.96	41808.54	35524.17
PAT	2698.03	2120.95	971.70
EBITDA	5322	4236.33	2287.16
PAT Margin(%)	4.71	5.07	2.74

### Goblin India Ltd.

(Rs. in lakhs except PAT Margin)

Particulars	FY 2019	FY 2018	FY 2017
Revenue	6,827.62	6,074.05	5,239.12
PAT	344.92	309.37	63.32
EBITDA	700.45	573.02	259.78
PAT Margin	5.05	5.09	1.21

\*Data Extracted from the website of the stock exchange.

## OUR BUSINESS

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

*In this section, any reference to "we", "us" or "our" refers to Goblin India Limited and its subsidiary on a consolidated basis, as the context requires, and any reference to the "Company" refers to Goblin India Limited.*

Our Company was originally incorporated at Ahmedabad, Gujarat as a private limited company in the name and style of "Kal-Chop Export Private Limited" under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 26, 1989 issued by the Registrar of Companies, Gujarat. Subsequently, our Company obtained a fresh certificate of incorporation pursuant to change of name from "Kal-Chop Export Private Limited" to "Camex Auxi-Chem Private Limited" dated December 15, 1989 issued by Registrar of Gujarat. Our Company obtained another fresh certificate of incorporation pursuant to change of name from "Camex Auxi-Chem Private Limited" to "Camex Tradelink Private Limited" dated April 18, 2002 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. Subsequently, our Company was converted into a public limited company pursuant to which the name of our Company was changed to "Camex Tradelink Limited" dated April 8, 2010 by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. Hereinafter, our Company obtained a fresh certificate of incorporation pursuant to change of name from "Camex Tradelink Limited" to "Goblin India Limited" dated August 24, 2015 issued by the Registrar of Companies, Ahmedabad.

We are an ISO 9001: 2015 certified travel luggage company engaged in the design, marketing and sale of travel, business and casual luggage as well as travel accessories. As on March 31, 2019, our products were sold in over 6 states in India as well as in Paris, France through a variety of wholesale and retail distribution channel. We sell our products under the brand name "Goblin". Apart from the travel luggage products, our company is involved in the trading and distribution of various products in multiple verticals such as digital consumer electronics, batteries & torches, office electronics, household items and other commodities to the corporate for the purpose of corporate gifting.

Today, Goblin is one of the reputed brands specializing in travelling gears. It has built its trust and goodwill in the field of luggage and corporate gifting. We utilize multiple channels, including retail, wholesale, corporate gifting and e-commerce to sell our products. Goblin has presence in the local markets across India, with 4 Distributors, 129 Direct dealers and 245 dealers of our distributors having a distribution network pan India. Goblin has also developed and strengthened its brand value through its subsidiary in France with over 250 dealers. As on date, Goblin owns two exclusive retail outlets in Ahmedabad, Gujarat and one exclusive store in Paris through its subsidiary company. Our Company is also present in the leading e-commerce platforms like Amazon and Flipkart.

Our esteemed clients in corporate gifting are Corona Remedies, Torrent Pharmaceuticals, Intas Pharmaceuticals, Indian Institute of Management (Ahmedabad), Nirma Limited, Sun Pharmaceuticals, Cipla Limited, Micro Labs Limited etc. Our company prides itself on making good products at affordable price, and rises to the challenge of helping retailers meet their margins. We are dedicated to developing brands and products for our Customers and Consumers that create more enriched lives.

Our Products are produced by third-party manufacturers, located primarily in China as well as in India. This outsourcing keeps our fixed cost base low, and allows us to allocate production to the most competitive suppliers.

As per Restated Financial statements for the period ended March 31, 2019, 2018 and 2017, our total revenues were Rs. 6848.65 lakhs, Rs. 6093.69 lakhs and Rs. 5243.98 lakhs, respectively. Our Profit after Tax for the for the period ended March 31, 2019, 2018 and 2017 were Rs. 344.92 lakhs, Rs. 309.37 lakhs and Rs. 63.32 lakhs, respectively.

## OUR LOCATION

<b>Registered Office of our Company</b>	Camex House 1st Floor, Commerce Road, Navrangpura, Ahmedabad-380009, India
<b>Registered Office of our Subsidiary</b>	61/63, Rue De La Haie Coq 93300 Aubervillersrue, Paris
<b>Address of our Retail Outlet</b>	6 Dev Complex, Parimal Garden Cross Road, Ahmedabad-380006.
<b>Branch Office</b>	632, 6 <sup>th</sup> floor, Immitation, Jewellery Market, Off Link Road, Malad, Mumbai-400064.

## OUR COMPETITIVE STRENGTH

We believe that the following strengths have contributed to success and will be of competitive advantages for us, supporting our strategy and contribution to improvements in financial performance:

### Experienced Management

We believe that, leadership is the result of team work allowing issues and ideas to be developed, widening our competitive advantage. We have grown steadily under the vision, leadership and guidance of our promoter. Our promoter has played a key role in developing our business and we benefit from his industry expertise, vision and leadership. Our Promoter, Manoj Choukhany, has experience of more than a decade in the luggage industry. He is also assisted by a team of experienced personnel. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future market opportunities.

### Cordial Corporate relationship

We have been maintaining cordial relationships with our clients. Majority of our revenue consists of corporate gifting and any delay in meeting deadlines may result in loss to our business. Meeting customer deadlines and market trends on a consistent basis is important for our business. Our endeavor is to constantly try to address corporate gifting sector needs around a variety of products. Our existing corporate relationships help us to get repeat business from them. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy.

### Experience in global sourcing of diverse luggage products

We have been sourcing luggage products for sales in domestic and overseas markets since the last 12 year. We source our luggage products from our supplier based in China which enables our Company to adhere to the required specifications and stipulated quality standards for our products. We also have diverse business model where we have product portfolio in luggage and travel gear accessories products in the overseas markets. The diversified business model and product portfolio de-risks our operations from cyclicity in demand for various products.

### Vast network of distributors in the domestic markets and strong customers base in the overseas markets.

We have a multi-tiered distribution network consisting of distributors, shop in shop, modern retail outlets, multi-brand outlets (MBOs) or retailers and e-commerce platform on a pan-India basis. We presently supply and sell to more than 15 stores through modern retail outlets, shop in shop traditional retail outlets or MBO's in India. Our Company has strong customers base in France, where we market and sell products under the brand "Goblin". At present, we are directly associated with 4 Distributors, 129 Direct dealers and 245 dealers of our distributors and their distribution channel in 2 states of India and more than 250 dealers in France for the marketing and selling of our products in domestic and international market.

**Design Innovation**

Our products are created to achieve superior levels of design, performance and style. Our ongoing focus on improving the form and function of our products has enabled us to design innovative products that anticipate and address consumer needs and design trends on both functional and stylistic levels. We regularly update our collections to provide consumers with new and distinctive product offerings).

**Fact Based Design and Sale**

We apply consumer, customer and industry research-based facts to drive the design, merchandising and product launch to the market. Always focused on meeting our customers' needs, our complete focus is on product development which is completely focused on consumer needs.

**Quality and Customer Service**

We pride ourselves in setting and meeting high quality standards in our products and in our services. Our products undergo a comprehensive quality control check by our supplier and by us. Our Customer Service is dedicated to provide essential support to our customers and consumers with a goal to enhance their buying and company experience.

**Diversified Product Portfolio**

Our Company has diversified Licensed Products Profile. We provide large range of categories ranging from small leather goods, ladies handbags, travel gear, backpacks to other travel accessories in India.

**SWOT ANALYSIS**

<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• Diversified Product Portfolio</li> <li>• Promoter and Experienced Management</li> <li>• Cordial Corporate relationship</li> <li>• Experience and expertise in global sourcing of diverse luggage products</li> <li>• Vast network of distributors</li> <li>• Fact Based Design and Sale</li> <li>• Quality and Customer Service</li> </ul>	<p><b><u>Weakness:</u></b></p> <ul style="list-style-type: none"> <li>• Intense Competition from other brands.</li> <li>• Outsourced manufacturing.</li> <li>• High working capital requirements.</li> <li>• Limited Geographical reach at present</li> </ul>
<p><b><u>Opportunities:</u></b></p> <ul style="list-style-type: none"> <li>• Huge Growth Potential in Domestic and International Market</li> <li>• Emerging markets</li> <li>• Youth is more brand conscious.</li> </ul>	<p><b><u>Threats:</u></b></p> <ul style="list-style-type: none"> <li>• Changing trends in fashion &amp; lifestyle industry</li> <li>• Trade embargoes, changes in government policies</li> <li>• No entry barriers in our industry which puts us to the threat of competition from new entrants.</li> <li>• Slowdown in the consumer spending</li> <li>• Government regulations.</li> </ul>

**OUR STRATEGY**

We are united by the core values that binds every team member to deliver the best to our customers. We strive to live up to these values and make our every licensed/owned portfolio product with the same rigor and consistency all through our journey with our customers.



**Setting up of new manufacturing set up**

We specialize in travelling gears and it has built its trust and goodwill in the field of luggage and corporate gifting. Presently we are in the business of import and supply of luggage and corporate gifting. Now, with the intend of reducing import cost and having better control over products, we are planning for backward integration and hence want to start-up a manufacturing unit of hard luggage.

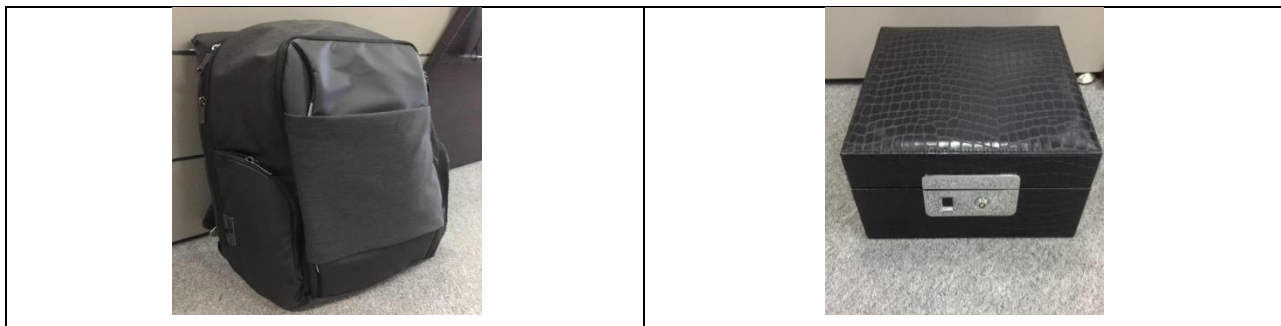
**Continue to increase our brand awareness**

We seek to increase our brand awareness among our targeted consumer base through retail and wholesale distribution expansion, select marketing initiatives, new product lines and brand extensions. In the wholesale distribution channel, we target distribution expansion by increasing the number of our distributors where we can control the consumer experience. We will continue to focus on in-store marketing, and we plan to effectively utilize our website, social networking sites and other online forms of communication to build consumer knowledge of the Goblin brand. We believe increasing brand awareness will lead to greater foot fall in our current locations, enable us to continue increasing our loyal consumer base and ultimately contribute to enhanced growth and profitability.

**Development of new products**

We seek to design products that are innovative, functional and stylish. We anticipate introducing new products in lighter weight and durable materials, colors which appeal to women and men, premium products with a classic or contemporary design, as well as stylish and durable products at more accessible price points for our younger consumer.

Our Company is continuously looking out for improvements in our regular products and developing new products for the domestic and overseas markets. We have introduced various new products in the past and we are now in the process of introducing new products. These products will further enhance our Company’s product portfolio to be offered to our customers. We have introduced many innovative range of products and now introducing products with high technology like back pack, office bags and jewellery box with finger print lock and luggage bags with USB, weighing scale and fingerprint lock. Goblin is launching first time in India the most latest luggage bag “Follow Me” which is a travel marvel which will follow the owner by robotic intelligence of latest technology to follow the person with help of wrist band or controlled by mobile application emote and Our Company has executed MOU with Changzhou Airwheel Technology Co. Limited (AWT), A Company registered in China, manufacturing technology based travel products in China, dated July 11, 2019 for selling product “ Follow me” Luggage Bag manufactured by AWT under the Brand name of “Goblin” with its technical support through network of distributors and agreed to give exclusive marketing of aforesaid product in India where this product shall not be sold in India to buyer in any other Brand.



**GOBLIN**  
Two Roll Ours  
**SMART AUTONOMOUS LUGGAGE**

- External USB charging port
- Autonomous obstacle avoidance
- Removable import lithium battery
- 20inch standard carry-on suitcase
- Biometric fingerprint lock
- LED inductive lamp set
- APP remote control
- High-strength polycarbonate casing

Model	Size	Volume
GOBLIN	533X381X246mm	30L
Weight	Material	Charging time
9kg	ABS + PC	13h
Max. speed	Battery Capacity	Number Of Motors
6km/h	62.6Wh	Three

**Mobile remote control in 3 modes**

Two hands

Gravity sensing

Single hand

- 1** Open the suitcase, connect with the power bank, and press the power button on the suitcase.
- 2** Wear the bracelet and stand on the front of the suitcase with sensors. Short press the power switch on the bracelet till the indicator light flash, and enter auto-following mode after short vibration.
- 3** Long press the power switch on the bracelet to power OFF and set auto-following mode after short vibration.
- 4** Turn off the power button on the suitcase and weigh from the suit.

Obstacle avoidance sensor  
1m

Indicator light

Power switch

**Expansion by way of multi-distribution and retail channels.**

We believe there continues to be significant opportunity for us to expand our company-owned retail store network in PAN India. AS on date we have owned one retail outlet in Ahmedabad, Gujarat and plan to add new stores in PAN India basis.

We shall explore modern technology to access new opportunities in the market to sell our products to the ultimate customer, including direct sales to the customer through the internet. Both B2B and B2C platforms shall be considered for access over well-known aggregator portals to market and sell our products to retail customers. We shall also expand our existing distributor network in the domestic and overseas markets.

**OUR PRODUCTS**

**Travel**

Our travel products form the core of our business. Travel products, such as suitcases and carry-ons, are further categorized by the material from which they are constructed, with the three principal categories being hard-side, and soft-side . The popularity of hard-side and soft-side luggage varies significantly across the various markets in which we operate, while hybrid luggage, as a recent development, is only a very small component of the luggage market.



## Business

Our business product range consists of briefcases, computer bags, laptop sleeves and rolling totes for the business traveler. Our business category design teams are developing a number of new product lines to take advantage of growth opportunities within the business category, in combination with new advertising campaigns to raise consumer awareness of our business product lines and capitalizing on our brand, distribution network and sourcing expertise.



## Accessories

Accessories include a large number of travel accessories, including locks, straps, pillows, plug adaptors, umbrellas and small leather goods such as wallets and card holders.



## Corporate Gifting

Apart from the Travel and Business products and their accessories, we also deals in multiple products for the purpose of corporate gifting like Bluetooth Speaker, Photo Frame, Toaster, Kettle, Umbrella, clock etc. as per the requirement of the customers.

## SALES& DISTRIBUTION CHANNEL

We distribute our products through four principal sales channels: traditional stores (including specialty leather goods stores), department stores, hypermarkets and our own retail stores. Products are also sold through a collection of other smaller channels, including online sales.



**Retail Stores**

Retail Stores consist of Exclusive Brand Outlets (EBOs) and are operated on Company Owned & Company Operated (COCO) basis as also Franchise Owned & Franchise Operated (FOFO) basis. We give fixed margin to the franchisee on the sales.

**Large Departmental Stores**

These are the large stores that sell various types of products belonging to various brands under one roof. Our products are sold in the large departmental stores like Osia Hyper market, Crossword, Sales India, Hind Super Market etc.

**Distribution and Dealers network**

We have distributors in about 13 cities across India for distribution of our products. These distributors are responsible for supplying to various mom and pop stores.

**E-Commerce**

We also sell our products on the E-commerce companies directly or through their channel partners. Our products are available on Amazon, Flipkart etc

**OUR SHOWROOM:-**



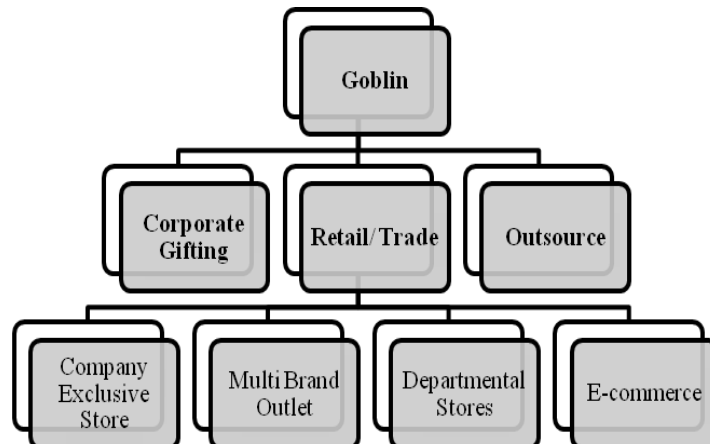
**Presence at Domestic Airport**

We have presence at 16 domestic airports in the “AVA” Stores includes airport of Kolkata, New Delhi, Bangalore, Chennai, Hyderabad, Mumbai T2 & T1, Guwahati, Lucknow, Coimbatore, Kochi, Mangalore, Ahmedabad, Indore, Nagpur, Pune, Aizawl, Dibrugarh, Patna, Ranchi, Amritsar, Madurai, Trivandrum, Aurangabad, Bhopal



**BUSINESS MODEL**

Our company offers products through 3 main channels, as mentioned below:



**1. Corporate gifting**

At the moment this segment of the business is the most revenue earning and profitable one. It has low investment and high returns, due to assured orders being made in bulk. Deal finalization is either done directly with the corporate or through channel partners. These channel partners usually have day to day relationship with the decision makers of many companies. With a total of 16 channel partners we have access to huge market base in corporate gifting. Few of our leading customers in this segment are companies like Corona Remedies, I-ball, Rishabh Pharma, GNFC, Astral Pipes and such others.

**2. Trade/Retail**

Our retail stores mainly consists of company owned retail stores and multi-brand outlet. We usually have huge revenue inflows from Gujarat and Maharashtra.



**a. Company owned retail stores**

Currently we have a company owned retail store, in Ahmedabad. We are planning to expand it to other metro cities and increase our presence.

**b. Multi brand outlet (MBO)**

At present we have MBOs in Gujarat, Maharashtra, Ranchi, Bengal , Karnataka and Rajasthan. We have 129 dealers in this segment spread across nation with whom dealings are done directly by the company and through their distributors channels.

**c. Departmental Stores/ Lifestyle Stores**

These are the large stores which sell various types of products belonging to various brands under one roof. Our products are sold in the large departmental stores like Crossword (Ahmedabad)/ Hind Super Market and Osia Hyper Market.

**d. E-commerce**

We also sell our products on the E-commerce companies directly or through their channel partners. Our products are available on Amazon and Flipkart.

**3. Outsource**

We outsource various travel accessories to our client, Swiss Military which are custom made for them as per their requirement.

**BUSINESS PROCESS**

- New products identification & shortlisting through visit to canton fair and through domestic market study.
- The sample of new product is shown to our designing team and after their study it is further improved with modifications required.
- The modifications are conveyed to supplier in china and in turn they provide us counter sample as per our requirement.
- That sample is shown to our marketing / sales team / dealers / distributors / clients for their valuable feedback
- Once the product is approved the order is place to our Chinese counterpart who in turn place the order to actual manufacture.
- A detail order sheet is prepared and order is processed ( format is attached).
- Once the goods are manufactured , quality check of the final finished goods along with packaging is done by our QC team.
- Once the QC is approved, goods are loaded.
- Once the goods arrive in India at our warehouse located in Ahmedabad, our local team ensure that the good are received as per our purchase order.
- Lastly, products are dispatched to our customers as per the order.



## PLANT & MACHINERY

Since we have outsourced our manufacturing activities, we do not own any plant and machineries. However, we have invested on furniture & fixtures in our stores.

## COLLABORATIONS

As on date of Red Herring Prospectus, we do not have any technical, financial and performance guarantee collaborations with any parties.

## UTILITIES & INFRASTRUCTURE FACILITIES

Our registered office is located in Ahmedabad. Our office is equipped with computer systems, servers and other communication equipment's, uninterrupted power supply, Internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

## POWER

The company does not require much power except the normal requirement of the offices & stores of the Company and for lighting, systems running etc. Adequate power is available for offices & stores from local authority.

## WATER

Water is required for human consumption at offices & stores and adequate water sources are available from municipal water supply. The requirements are fully met at the existing premises.

## HUMAN RESOURCE

Human resource plays an essential role in developing a company's strategy as well as handling the employee centered activities of an organization. We believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on May 31, 2019 we have 34 employees with our Company. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, alongwith execution of services within time and quality. Our skilled resources together with our strong management team has enabled us to successfully implement our growth plans.

Department	No. of employees
Management	2
Accounts & Finance	4
Sales & Marketing	16
Human Resource	1
Logistics & warehousing (if any)	5
Office Administration	6
<b>Total</b>	<b>34</b>

## COMPETITION

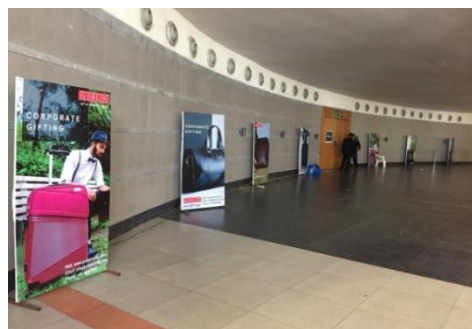
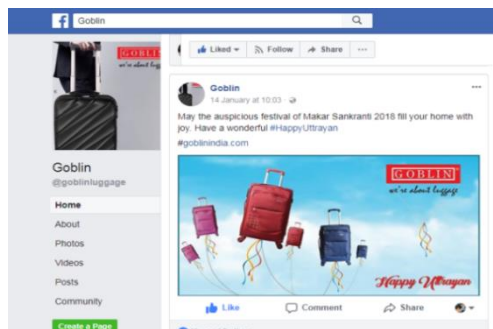
Much of the market in which we operate is unorganized and fragmented with many small and medium-sized entities. We face substantial competition for trading in luggage from other traders in domestic market. Our competition varies for different regions. We compete with other luggage traders on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these

factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. We intend to continue competing vigorously to capture more market share and our growth in optimal way. Some of our peer companies includes Safari Industries (India) Limited, V.I.P. Industries Limited, Samsonite International S.A. etc.

## MARKETING SET UP

Our marketing strategy seeks to deliver a dynamic and consistent brand message, attract new consumers, increase purchase frequency and provide valuable information to existing and new consumers. Product introductions is the primary marketing vehicle for our brand. New products are developed to ensure the brand remains current with industry trends, remains competitive by addressing changes in airline regulations and consumer preferences, provides additional designs and functionality to improve the user experience and is ultimately perceived as durable, stylish and current. Some of the marketing strategies adopted by our Company are as follows:-

- Paid online advertising
- Paper Advertisement
- Sponsorship of local mega events at club or any other event
- Participation in National Trade Fair
- Free Signboards
- Airline Magazine in Indigo Flights





## INSURANCE

Our Warehouse located at A 44, Changodar Estate, Changodar, Sanand, Ahmedabad, Gujarat, 382110 is insured against fire and special perils and Burglary including earthquake and terrorism damage. The insurance policy covers loss caused to the Building and stock. Apart from this we also maintain certain other insurance policies covering car insurance policy.

## INTELLECTUAL PROPERTY RIGHTS

As on the date of Red Herring Prospectus, we have applied for registration of below mentioned trademark with the trademark registry:

Sr. No.	Logo	Date of Application	Valid Upto	Application No.	Class	Current Status
1.		August 1, 2004	August 18, 2024	1303334	18	Registered
2.		March 1, 2018	March 1, 2028	3767959	18	Registered

## PROPERTY

As on the date of Red Herring Prospectus, our Company has the following leasehold/owned properties:

Sr. No.	Address of the Property	Licensor/ Lesser/ Vendor	Usage of Property	Consideration/ Rent paid per month	Type of Agreement	Agreement Date/ Lease period valid upto
1	First Floor Camex House Stadium Commerce Road , Navrangpura, Ahmedabad-38009.	Camex Reality Pvt. Ltd	Registered office	60000.00	Lease	March 31, 2021
2	A 44, Changodar Estate, Changodar, Sanand, Ahmedabad, Gujarat, 382110	Owned	Warehouse	NA	NA	NA
3	6, Dev Complex, Parimal Cross Road, Panchwati, Ahmedabad, Gujarat, 380009	Amit Kiritbhai Patel HUF	Showroom	37923.00	Leave & License	March 31, 2020
4	Building No. A-6, Glal no.7 Pritesh Complex, Valpada, Anjur Dapoda Road, Bhiwandi - 421 302	Mr. Vishwanath R. Patil	Godown	22627.50	Leave & License	June 01, 2019
5	632, 6 <sup>th</sup> floor, Immitation, Jewellery Maket, Off Link Road, Malad, Mumbai-400064.	Goswami Jitendragiri B	Branch Office	35000.00	Leave & License	May 16, 2019

## **KEY REGULATIONS AND POLICIES**

*Except as otherwise specified in this Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of trading in Luggage Bags, outsourcing services and Corporate gifting. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.*

### **APPROVALS**

For the purpose of the business undertaken by our Company, its required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the section titled “Government and Other Approvals” beginning on page number 172 of this Red Herring Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **Information Technology Act, 2000 (The “Information Technology Act”)**

The Information Technology Act was enacted with the purpose of providing legal recognition to electronic transactions. In addition to providing for the recognition of electronic records and creating a mechanism for the authentication of electronic documentation through digital signatures, it also provides for civil and criminal liability including fines and imprisonment for various computer related offenses which include offenses relating to unauthorized access to computer systems, modifying the contents of such computer systems without authorization, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud.

##### **The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011**

The Department of Information Technology under the Ministry of Communications & Information Technology, Government of India notified the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 in respect of section 43A of the Information Technology Act, 2000. The said rules are dealing with the protection of sensitive personal data or information and the security practices and procedures to be followed.

The Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate (the “Body Corporate”). The Personal Data Protection Rules further require the Body Corporate to provide a privacy policy for handling and dealing on personal information, including sensitive personal data. Such policy is required to be published on the website of the Body Corporate. In addition, the information or data so collected is required to be kept secured and used for the purposes for which it has been collected. Further, the disclosure of such information to any third party requires the prior consent of the provider of the information, unless such disclosure has been contractually agreed upon between the Body Corporate and the provider of information or in the event disclosure is necessary for the purpose of legal compliance. Additionally, the Body Corporate is required to put in place a security programme and information security policy, so as to ensure compliance with reasonable securities practices and procedures, as prescribed under the Personal Data Protection Rules.

## **Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (“Compulsory Registration Order”)**

The Compulsory Registration Order mandates that the manufacturing, storage, import, sale or distribution of goods which do not meet the specified standard and/or bear a self-declaration confirming conformance to relevant Indian Standard is prohibited. The only exception is for those goods which are manufactured for export. Further, any sub-standard or defective goods must be deformed beyond use by the manufacturer and disposed of as scrap. The Compulsory Registration Order is issued by the Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India (“DEIT”).

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taking out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

## **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

### **Shops and Establishments Laws in Various States**

As per the provisions of local Shops and Establishments laws applicable in the states of West Bengal, Jharkhand, Karnataka, Rajasthan, Maharashtra and Gujarat, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **Professions, Trade, Callings and Employments Act in Various States**

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 the West Bengal, Jharkhand, Karnataka, Rajasthan, Maharashtra and Gujarat are 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 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.

### **Stamp Act in various States (" Stamp Act")**

The purpose of Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State government. The State Government of the West Bengal, Jharkhand, Karnataka, Rajasthan, Maharashtra and Gujarat are empowered to collect the stamp duty. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act.

## **GENERAL CORPORATE COMPLIANCE**

### **The Companies Act 1956 and the Companies Act, 2013**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. The provision of this Act shall apply to all the Companies incorporated either under this Act or under any other previous law. It shall also apply to companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A Company can be formed by seven or more persons in case of Public Company and by two or more persons in case of Private Company. A Company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

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

### **Indian Contract Act, 1872("Contract Act")**

The Contract Act codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

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

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

### **The Registration Act, 1908 ("Registration Act")**

The 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.

## **EMPLOYMENT AND LABOUR LAWS**

### **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.



### **Employees' State Insurance Act, 1948 (the "ESI Act")**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

### **Minimum Wages Act, 1948 ("MWA")**

MWA came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Equal Remuneration Act, 1976**

The Equal Remuneration Act 1976 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 Act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.



### **Child Labour Prohibition and Regulation Act, 1986(the “Child Labour Act”)**

The Child Labour Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

### **Trade Union Act, 1926**

The Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. 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.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957**

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

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961 (“IT Act”)**

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.

### **Value Added Tax (“VAT”)**

VAT is a system of multi-point Levy 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 Sales Tax Officer of the respective State.

Note: The VAT Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

### **Central Sales Tax Act, 1956 (“CST”)**

The main object of this Act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) when a sale or purchase takes place outside a State (c) when a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Note: The CST Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 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 5<sup>th</sup> / 6<sup>th</sup> 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 half yearly return in Form ST 3 by the 25<sup>th</sup> of the month immediately following the half year to which the return relates.

Note: The Service Tax now has been replaced by the Goods and Service Tax (GST) Act, 2017

### **The Central Excise Act, 1944**

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Note: The Central Excise Act now has been repealed and is replaced by the Goods and Service Tax (GST) Act, 2017

### **Central Goods and Services Tax Act, 2017 (the "GST Act")**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by

the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- The Designs Act, 2000

The Acts applicable to our Company will be:

#### **Trade Marks Act, 1999 (“TM Act”)**

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **ANTI-TRUST LAWS**

#### **Competition Act, 2002**

An Act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Sale of Goods Act 1930, Workmen Compensation Act, 1923, Industrial Employment (Standing Orders) Act, 1946, Payment of Wages Act, 1936, Employment Exchanges (Compulsory Notification Of Vacancies) Act, 1959, Consumer Protection Act 1986.

### **OTHER LAWS:**

#### **Foreign Trade (Development and Regulation) Act, 1992**

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and license to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence **or** imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### **Foreign Exchange Management Act, 1999 (“FEMA”)**

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

**HISTORY AND CERTAIN CORPORATE MATTERS**

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this section, these include forms and resolutions for incorporation and change in constitution of Company, change in registered office of Company, increase in paid up capital, etc. Hence, this section is prepared based on the report of search, conducted by M/s. Ravi Kapoor and Associates, Company Secretaries at Registrar of Companies (ROC), data provided by management and to the best of information available.*

**History and Background**

Our Company was incorporated on April 26, 1989, as "***Kal-Chop Export Private Limited***" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat bearing Registration Number 04-12165. We subsequently changed the name of our Company from "***Kal-Chop Export Private Limited***" to "***Camex Auxi-Chem Private Limited***" vide a fresh Certificate of Incorporation issued by Registrar of Companies, Gujarat dated December 15, 1989 with a view of having identification similar to the group of erstwhile promoter, Mr.Chandraprakash B. Chopra. In order to expand the business activities in luggage and travel gear accessories , Our Company changed its name from "Camex Auxi-Chem Private Limited" to "Camex Tradelink Private Limited" and obtained fresh certificate of incorporation dated April 18, 2002 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli.Subsequently, our Company was converted into public limited company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on January 11, 2010 and the name of our Company was changed to "***Camex Tradelink Limited***" vide a fresh Certificate of Incorporation dated April 18, 2010 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. Further, for introducing the ‘Goblin’ brand in luggage and other traveling accessories , Our Company changed its name from "Camex Tradelink Limited" to "Goblin India Limited" and obtained fresh certificate of Incorporation dated August 24, 2015 issued by the Registrar of Companies, Ahmedabad.The Corporate Identification Number of our Company is U51100GJ1989PLC012165.

Our Company was initially incorporated by Mr. Ashvinkumar M. Kalaria and Mr. Chandraprakash B. Chopra who were the initial subscribers to the Company. Thereafter in the year 2002, our Promoter, Mr. Manoj Choukhany joined the Company with a view to create a trusted luggage brand with Innovative designs that would cater the needs of individuals and companies. Under the auspices of our Promoters, our Company’s turnover has witnessed sustained growth and has established Goblin as a reputed brand specializing in travelling gears and expanded its presence in India and France over the time.

**Corporate profile of our Company**

Details regarding the description of our activities, services, products, market, the growth of our Company, exports, technological and managerial competence, the standing of our Company with reference to the prominent competitors, please refer to the section titled "Our *Business*" "*Industry Overview*" and "*Our Management*" on pages 87 ,77 and 112 respectively of this Red Herring Prospectus.

**Changes in the Registered Office of the Company since incorporation**

Currently, the Registered Office our company is situated at Camex House, 1st Floor, Commerce Road ,Navrangpura Ahmedabad-380009, Gujarat, India.

Following changes has been made in our registered office since incorporation till date of this Red Herring Prospectus:

<b>From</b>	<b>To</b>	<b>With effect from</b>	<b>Reason for Change</b>
27, Royal Trade Centre, Kapasi Bazar, Ahmedabad	13, Hirabhai Market, Diwan Ballubhai Road, Ahmedabad	November 12, 1990	Administrative reason

13, Hirabhai Market, Diwan Ballubhai Road, Ahmedabad	Camex House 1st Floor , Stadium commerce Road ,Navrangpura Ahmedabad-380009, Gujarat, India.	March 28, 2005	Greater Operational Efficiency
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### Major events in the History of our Company

Year	Key Events / Milestone / Achievements
1989	Incorporation of our Company Change of Name of Company from Kal Chop Export Private Limited to Camex Auxi Chem Private Limited
2002	Change of Name of Company from Camex Auxi Chem Private Limited to Camex Tradelink Private Limited Company ventured into corporate gifting and promotion and for this purpose started importing goods from China.
2005	Our Company obtained the Trademark registration certificate issued by Trademarks Registry for the logo “Goblin”.
2007	Company forayed into the luggage business and introduced ‘Goblin’ as a Brand for Luggage items.
2008	Company opened the first Goblin show room in Ahmedabad.
2010	Conversion of our Company from Private Limited Company to Public Limited Company.
2014	<ul style="list-style-type: none"> <li>Company entered into an agreement with Amazon for sale of its products on their ecommerce portal.</li> <li>Company incorporated a wholly owned subsidiary in France.</li> </ul>
2015	Change of Name of Company from Camex Tradelink Limited to Goblin India Limited
2017	Company opened a branch in Mumbai.
2018	Our Company obtained ISO 9001:2015 issued by Euro Certifications for Business of Luggage Bags and Promotional/Gift Items
2019	Executed MOU with Changzhou Airwheel Technology Co. Limited , China registered Company for exclusive selling and marketing of “Follow me” Travel Bags in India under the Brand of “Goblin”

### Awards and accreditations received by our Company:-

Year	Details
2017	Our Company participated in ‘Corporate Gifts Show’ organized by Gifts and Accessories – a division of Netlink Solutions (India) Limited
2017	Our Company was awarded ‘Certificate of Participation’ in a Stationary, Corporate Gifting Exhibition organized by Itsmart Expo LLP
2018	Our Company obtained ISO 9001:2015 issued by Euro Certifications for Business of Luggage Bags and Promotional/Gift Items
2018	Our Company participated in ‘Corporate Gifts Show’ organized by Gifts and Accessories – a division of Netlink Solutions (India) Limited
2018	Our Company Participated in Gifts World Expo organized by MEX Exhibitions Private Limited held in Delhi between 10-12 August, 2018, Pragati Maidan, Delhi.

### Acquisition of Businesses / Undertakings

Our Company has not made any material acquisitions or divestments of businesses / undertakings in the last 10 (ten) years.

### Details of Merger/Amalgamation

There has been no merger/amalgamation pertaining to our Company.



## Revaluation of assets

Our Company has not revalued its assets in the last 10 (ten) years.

## Main Objects of our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

*To carry on the business as purchaser, trader, manufacturer, assembler, importer or exporter of travelling bags, gift articles, furniture, carpets, rugs, mats and matting, linoleum and other materials for covering floors, wall hanging, furniture, Precious metals and their alloys and good in precious metals or coated therewith, imitation jewellery, precious stones and chronometric instruments.*

## Amendments to our Memorandum of Association in last ten (10) years

The following changes have been made to the Memorandum of Association in last ten (10) years:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Increase in the authorized share capital of the Company from Rs. 50,00,000 divided into 5,00,000 Equity Shares of Rs 10 each to Rs. 1,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10 each.	December 15, 2010	EGM
2.	Conversion Private Limited Company into Public Limited Company	January 11, 2010	EGM
3.	Clause I of the MOA amended to reflect the Change in Name of the Company from Camex Tradelink Limited to Goblin India Limited	July 25, 2015	EGM
4.	Amendment to Clause III (A) by replacing existing clauses no. 1 to 3 with the following clauses: <ol style="list-style-type: none"> <li>1. <i>To carry on the business as purchaser, trader, importer or exporter of petroleum products including asphalt, bitumen or similar substances or chemicals.</i></li> <li>2. <i>To carry on the business as purchaser, trader, importer or exporter of travelling bags, gift articles, furniture, carpets, rugs, mats and matting, linoleum and other materials for covering floors, wall hanging, furniture, Precious metals and their alloys and good in precious metals or coated therewith, imitation jewellery, precious stones and chronometric instruments.</i></li> <li>3. <i>To carry on the business as purchaser, trader, importer or exporter of medical devices including thermometer, blood pressure monitor, Gloves, Bandages and other measuring and testing medical instruments.</i></li> </ol>	July 25, 2015	EGM
5.	Increase in the authorized share capital of the Company from Rs. 1,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10 each to Rs. 11,00,00,000 divided into 1,10,00,000 Equity Shares of Rs. 10 each.	February 08, 2018	EGM
6.	Amendment to clause III (A) by deleting the existing clause no. 1 and 3 and substituting the clause 2 and shall be re numbered accordingly which is as follows: <ol style="list-style-type: none"> <li>1. <i>To carry on the business as purchaser, trader, manufacturer, assembler, importer or exporter of travelling bags, gift articles, furniture, carpets, rugs, mats and matting, linoleum and other materials for covering floors, wall hanging, furniture, Precious metals and their alloys and good in precious metals or coated therewith, imitation jewellery, precious stones and chronometric</i></li> </ol>	May 18, 2019	EGM

Sr. No.	Particulars	Date of Meeting	Type of Meeting
	<i>instruments.</i>		
7.	Change in the titles of the Memorandum of association to make it inline with the provisions of the Companies Act, 2013.	May 18, 2019	EGM

#### Details of Holding Company

As on the date of this Red Herring Prospectus, our Company has no holding company.

#### Details of Subsidiaries Company

Our Company has one subsidiary namely Goblin France SARL as of the date of this Red Herring Prospectus. Unless otherwise stated our Subsidiary is not a sick Company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and has not incurred any losses or has negative cash flows or are in the process of winding up. Further, our subsidiary has not made any public issue in the last 3 years from the date of this Red Herring Prospectus.

<b>Business Activity</b>	Trading of Travel Bags and other travel accessories
<b>Date of Incorporation</b>	September 25, 2014
<b>Registered Office Address</b>	3 rue du, colonel Moll, 75017- Paris

##### i. Capital Structure and Shareholding Pattern

The authorized share Capital of Goblin France SARL is Rs. 79,00,000 divided into 10,000 equity shares of Rs. 790 /- each.

The shareholding Pattern of Goblin France SARL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
1.	Goblin India Limited	10,000	100
	<b>Total</b>	10,000	100

##### ii. Interest of the Subsidiaries in our Company

Our Subsidiary does not hold any equity shares in the Company. Except as stated in Consolidated related party transactions as restated as appearing in Annexure XXX under section titled "*Financial Statements*" on page 150.

##### iii. Common Pursuits

Except as disclosed in this Red Herring Prospectus, our Subsidiary does not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

##### iv. Amount of accumulated profits or losses of the Subsidiary not accounted by the Issuer

There are no accumulated profits or losses of our Subsidiary, not accounted for, by our Company.

#### Significant financial or strategic partnerships

Our Company has not entered into any significant financial or strategic partnerships.

#### Time/cost overrun in setting up projects

The nature of our business does not include implementation of projects and therefore there has been no time and cost overruns on the date of this Red Herring Prospectus.

#### Defaults or rescheduling of borrowing

Our Company has not defaulted or rescheduled its borrowing.

**Shareholders Agreement and Other Agreements**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of this Red Herring Prospectus.

**Lock-out or strikes**

There have been no lock-outs or strikes in our Company since inception.

**Agreements with key managerial personnel or a Director or Promoter or any other employee of the Company**

There are no agreements entered into by key managerial personnel or a Director or Promoter or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**Agreements with strategic partners, joint venture partners and/or financial partners and other agreements**

As on the date of filing this Red Herring Prospectus, there are no existing material agreements with strategic partners, joint venture and/or financial partners or other material agreements entered into by our Company which are not in its ordinary course of business.

## OUR MANAGEMENT

### Board of Directors

As per the provisions of the Companies Act, 2013 and under our Articles of Association we are required to have atleast 3 directors and not more than 15 directors. As on date of this Red Herring Prospectus, We have 5 directors on our Board which includes, one (1) Managing Director, one (01) Whole Time Director who is also the women director of our Company, one (01) Non Executive Director and Two (02) Independent Directors.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name, Age, Date of Birth, Designation, Occupation, Term, Nationality and DIN No.	Other Directorships
1	<p><b>Name:</b> Mr. Manojkumar Choukhany  <b>Age:</b> 53 Years  <b>Date of Birth:</b> February 22, 1966  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> B-501, Palak Crystal, Nr. Satyagrah Chhavni Ramdevnagar Cross Road, Satellite Ahmedabad 380015, Gujarat, India.  <b>Occupation:</b> Business  <b>Term:</b> For a period of three years w.e.f April 05, 2019.  <b>DIN:</b> 02313049  <b>Nationality:</b> Indian</p>	<p><b>Companies:</b></p> <ul style="list-style-type: none"> <li>• Maxin Bags Private Limited.</li> <li>• Citi Exim Private Limited</li> </ul> <p><b>Limited Liability Partnerships:</b></p> <ul style="list-style-type: none"> <li>• Vulcan Petrochem LLP.</li> </ul>
2	<p><b>Name:</b> Mrs. Sonam Choukhany  <b>Age:</b> 47 Years  <b>Date of Birth:</b> December 08, 1972  <b>Designation:</b> Whole Time Director  <b>Address:</b> B/501, Palak Crystal, Nr. Satyagrah Chhavni, Ramdevnagar Cross Road, Satellite, Ambaw adi Vistar Ahmedabad - 380015 Gujarat, India  <b>Occupation:</b> Business  <b>Term:</b> For a period of three years w.e.f April 05, 2019  <b>DIN:</b> 08071455  <b>Nationality:</b> Indian</p>	<p><b>Companies:</b></p> <p>Nil</p> <p><b>Limited Liability Partnerships:</b></p> <p>Nil</p>
	<p><b>Name:</b> Mr. Manish Agrawal  <b>Age:</b> 49 Years  <b>Date of Birth:</b> January 03, 1970  <b>Designation:</b> Non-Executive Director  <b>Address:</b> 2B Tara Chand, Dutta Street, Chittaranjan Avenue, Kolkata-700073, West Bengal.  <b>Occupation:</b> Business  <b>Term:</b> liable to retire by rotation  <b>DIN:</b> 01296404  <b>Nationality:</b> Indian</p>	<p><b>Companies:</b></p> <ul style="list-style-type: none"> <li>• RDG Enterprise Private Limited.</li> <li>• Time and Sound Private Limited</li> </ul>
4	<p><b>Name:</b> Mr. Manmohan Dixit  <b>Age:</b> 62 Years  <b>Date of Birth:</b> November 11, 1957  <b>Designation:</b> Independent Director  <b>Address:</b> 43, Sardar Patel Nagar , Off. C.G Road, near Samudra Complex Ellisbridge, Ahmedabad-380006, Gujarat, India.  <b>Occupation:</b> Business  <b>Term:</b> Hold office for a period of 5 Years w.e.f. April 05, 2019  <b>DIN:</b> 02093149  <b>Nationality:</b> Indian</p>	<p><b>Companies:</b></p> <ul style="list-style-type: none"> <li>• Triveni Marbles Private Limited</li> </ul>
5	<p><b>Name:</b> Mr. Manoj Laxman Soni</p>	<p><b>Companies:</b></p>

Sr. No.	Name, Age, Date of Birth, Designation, Occupation, Term, Nationality and DIN No.	Other Directorships
	<p><b>S/o:-</b> Mr. Laxmanbhai Soni  <b>Age:</b> 56 Years  <b>Date of Birth:</b> January 13, 1963  <b>Designation:</b> Independent Director  <b>Address:</b> 56/A- Dutt Society Near Ramji Mandir, Bhattha Paldi, Ahmedabad-380007, Gujarat, India.  <b>Occupation:</b> Business  <b>Term:</b> Hold office for a period of 5 Years w.e.f. April 05, 2019  <b>DIN:</b> 08415016  <b>Nationality:</b> Indian</p>	<p>Nil</p> <p><b>Limited Liability Partnerships:</b></p> <p>Nil</p>

### **Brief Biographies of our Directors**

#### **Mr. Manojkumar Choukhany**

Mr. Manojkumar Choukhany, aged 53 years, is the Promoter, Chairman and Managing Director of our Company having experience of more than 15 years in the luggage industry and has been associated with our Company since 2002. He has completed his bachelors degree in commerce from Dibrugarh Haumanbux Surajmal Kanoi Commerce College, Assam. He is responsible for operations, marketing and decision making of our Company. His leadership abilities have been instrumental in growth and development of our Company.

#### **Mrs. Sonam Choukhany**

Mrs. Sonam Choukhany, aged 47 years, is the Promoter and Whole Time Director of our Company having 7 years of experience in luggage industry and has been associated with our Company since 2010. She holds Bachelor's degree in Commerce from University of Kolkata. She is responsible for developing and designing the products of the Company.

#### **Mr. Manish Agrawal**

Mr. Manish Agrawal, aged 49 years, is the Non- Executive Director of our Company having experience of 20 Years. He holds degree of Bachelor in Commerce from University of Kolkata. Prior to joining, he was running his own business of different products distribution and marketing. He will give his valuable guidance for creating distribution network of goblin to make more number of dealers and guide to enhance brand presence in retail and corporate sector. His vast experience will be very helpful for the company.

#### **Mr. Manmohan Dixit**

Mr. Manmohan Dixit, aged 62 years, is the Independent Director of our Company having experience of 25 years in managing business operations. He has completed his Master of Arts (Previous) from University of Allahabad. He presently associated with Triveni Marbles Private Limited as Director since June 15, 1993 which deals in business of Manufacturing and Trading of Marbles and looks after their improvement in corporate credibility and also manages Corporate governance. He has been appointed as Independent Director of our Company since April 2019.

#### **Mr. Manoj Soni**

Mr. Manoj Soni, aged 56 years, is the Independent Director of our Company. He has a rich experience of 35 years in the plastic Industry. He has obtained Diploma in Plastic Engineering from Gujarat Technical University in the year 1982. He has been appointed as Independent Director of our Company since April 2019.

**Note:**

- Apart from relations as mentioned below, no other directors are termed as relatives within the meaning of section 2 (77) of the Companies Act, 2013; none of our directors of our Company are related to each other.

Promoter / Director	Name of the other Director	Relation
Mr. Manoj Choukhany	Mrs. Sonam Choukhany	Spouse
Mr. Manish Agrawal	Mrs. Sonam Choukhany	Brother

- None of our Directors are fugitive economic offender or are on the RBI List of willful defaulters as on the date of this Red Herring Prospectus.
- Further none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies. None of our Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.
- There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors were selected as director or member of senior management.
- None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed.

Although their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company. Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

**Details of Borrowing Powers of Our Board of Directors**

Pursuant to a special resolution passed at an Extra- Ordinary General Meeting of our Company held on October 25, 2013, pursuant to provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the Board of Directors of the Company be and is hereby authorized to borrow monies from time to time in excess of aggregate of paid up capital and free reserves (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business) , provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of Rs. 25.00 Crores (Rs. Twenty Fifty Crores).

**Compensation to Managing Director and Whole-time Directors**

We have not entered into any service agreement with our Managing Director or Whole time Director providing for benefits upon termination of employment. However, the compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The Company is paying following compensation to the Managing Director and Whole Time Director:**

**Mr. Manojkumar Choukhany, Chairman and Managing Director:** He was originally appointed as the Additional director of our Company on September 25, 2009 and regularized as the managing director of our Company pursuant to a board resolution dated October 16, 2010. He was further re-appointed as the Chairman and



managing director of our Company pursuant to a board resolution dated April 05, 2019 and shareholders' resolution passed at an EGM of our Company held on May 18, 2019. The details of his remuneration are as set out below:

<b>Basic Salary</b>	Rs. 1,25,000 per month including all the perquisites and benefits if any, except the perquisites falling outside the purview of the ceiling of remuneration as per applicable provisions of Schedule V of the Companies Act, 2013
<b>Commission</b>	NA
<b>Perquisites and Facilities</b>	<ul style="list-style-type: none"> <li>❖ The Company shall contribute to the provident Fund as per rules of the Company</li> <li>❖ Other benefit and emoluments time to time as per the policy decided by the Company</li> <li>❖ Perquisites shall be allowed in addition to the basic salary as considered hereinabove, but within the overall limit, if any, prescribed under Schedule V of the Companies Act, 2013, as amended from time to time and in accordance with the rules made by the Company for said purpose. The perquisites shall be evaluated etc. as per the Income, tax Act, 1961, wherever applicable and in the absence of any such provision for the same, at actual cost.</li> <li>❖ In case of no profits or inadequate profits, the foregoing amount of remuneration and benefits shall minimum remuneration but subject to limit prescribe under Schedule V of the Companies Act, 2013 from time to time.</li> </ul>
<b>Amount of compensation paid during the F. Y. 2018-19 (p.a.)</b>	Rs. 15 Lakhs (inclusive of bonus)

**Mrs. Sonam Choukhany, Whole Time Director:** She was appointed as the additional director of our Company on March 04, 2019. Subsequently, her designation was changed as the whole time director of our Company pursuant to a board resolution dated April 05, 2019 and shareholders' resolution passed at an EGM of our Company held on May 18, 2019. The details of her remuneration are as set out below:

<b>Basic Salary</b>	Rs. 75,000 per month including all the perquisites and benefits if any, except the perquisites falling outside the purview of the ceiling of remuneration as per applicable provisions of Schedule V of the Companies Act, 2013
<b>Commission</b>	NA

<b>Perquisites and Facilities</b>	<ul style="list-style-type: none"> <li>❖ The Company shall contribute to the provident Fund as per rules of the Company</li> <li>❖ Other benefit and emoluments time to time as per the policy decided by the Company</li> <li>❖ Perquisites shall be allowed in addition to the basic salary as considered hereinabove, but within the overall limit, if any, prescribed under Schedule V of the Companies Act, 2013, as amended from time to time and in accordance with the rules made by the Company for said purpose. The perquisites shall be evaluated etc. as per the Income, tax Act, 1961, wherever applicable and in the absence of any such provision for the same, at actual cost.</li> <li>❖ In case of no profits or inadequate profits, the foregoing amount of remuneration and benefits shall minimum remuneration but subject to limit prescribe under Schedule V of the Companies Act, 2013 from time to time.</li> </ul>
<b>Amount of compensation paid during the F. Y. 2018-19(p.a.)</b>	Rs. 9 Lakhs.

**Remuneration Paid to Directors by our Subsidiary or Associate Companies.**

Our Company has Subsidiary namely Goblin France SAL and no Associate Company. Further there is no remuneration paid to directors by our Subsidiary Company.

**Payment or benefit to Non-Executive Directors of our Company**

Apart from the remuneration of our executive directors as stipulated under the heading "Compensation to Managing Director and Whole Time Director" above, our non-executive directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act, 2013 and the rules made there under and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

Our Non executive Directors and Independent Directors are eligible to receive sitting fees for attending each meeting of the Board or committees thereof and Our Board of Directors have resolved in their meeting dated May 24, 2019 for payment of an amount as approved by the Board to all Non-executive Directors for attending each such meeting of the Board or Committee thereof. However, no sitting fees were paid for the F.Y. 2018-19.

Except as stated in this Red Herring Prospectus, no amount or benefit has been paid by our Company within the two preceding years or is intended to be paid or given by our Company to any of our Company's officers including our directors and key management personnel.

Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our directors and our key management personnel, are entitled to any other benefits upon termination of employment.

Except as disclosed above, our Company does not have any bonus or profit sharing plan for its directors.

There is no contingent or deferred compensation payable to our managing director or executive director.

**Shareholding of our directors in the Company**

Our Articles of Association do not require our Directors to hold any qualification shares. The details of the shareholding of our Directors as on the date of this Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Mr. Manojkumar Choukhany	40,27,348	53.56	38.56
2	Mrs. Sonam Choukhany	14,84,938	19.75	14.22
	<b>Total</b>	<b>55,12,286</b>	<b>73.30</b>	<b>52.78</b>

### **Interest of Directors**

#### *❖ Interest in the promotion of the Company*

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, please refer the section titled “*Our Promoters and Promoter Group*”, “*Information with respect to Group Companies*” and Consolidated related party transactions as restated as appearing in Annexure XXX under the Section titled “*Financial Statements*” beginning on page no. 125, 176 and 150 of this Red Herring Prospectus.

#### *❖ Interest in the property (including land also) acquired or proposed to be acquired by the Company within three (3) years of the date of the filing of this Red Herring Prospectus*

Our Directors have no interest in any property acquired by our Company three years prior to the date of this Red Herring Prospectus or proposed to be acquired by us as on the date of filing of this Red Herring Prospectus. Our Company has not entered into any contracts or arrangements during the preceding the three years in which the Directors are interested directly or indirectly or no payments have been made to them in respect of these contracts or arrangements. For details of Properties, please refer to the section Property in the section “*Our Business*” on page 87 of this Red Herring Prospectus.

### **Interest to the extent of loan provided to the Company**

Except as stated in Consolidated related party transactions as restated as appearing in Annexure XXX under the Section titled “*Financial Statements*” beginning on page no. 150 of this Red Herring Prospectus, none of our directors have provided any loan to the Company.

### **Other Interest**

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. The executive directors will be interested 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 that may be subscribed by or allotted to their relatives or the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, 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.

Mr. Manojkumar Choukhany and Mrs. Sonam Choukhany have extended their personal guarantee for securing the repayment of certain bank loans obtained by our Company. For details, please see the section titled “*Financial Statements*” beginning on page 130 of this Red Herring Prospectus.

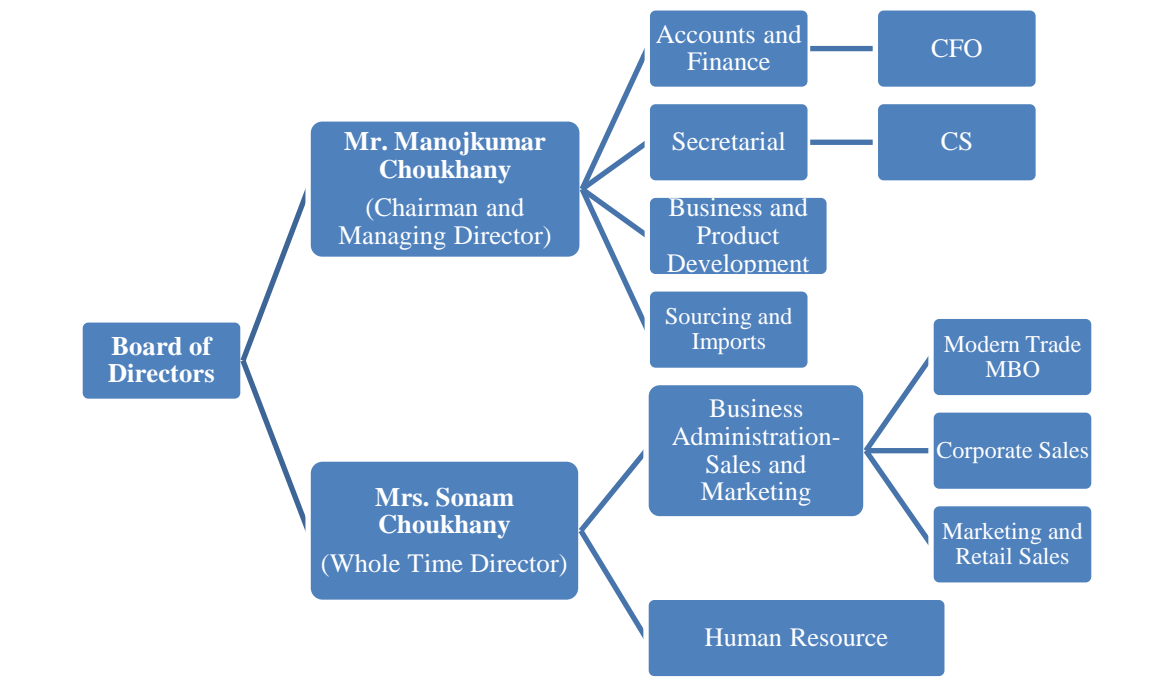
Except as stated under the paragraph titled Consolidated related party transactions as restated as appearing in Annexure XXX under the Section titled “*Financial Statements*” beginning on page no. 150 of this Red Herring Prospectus, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business. Further, please refer to the paragraph titled “Full Particulars of the nature and extent of the Interest, if any, of our Promoters” and “Common Pursuits” under Section titled “*Our Promoters and Promoter Group*” and “*Information with respect to Group Companies*” on page 125 and 176 of this Red Herring Prospectus.

### Changes in Our Board of Directors during the last three years

Except as disclosed below, there is no change in last three years in our board of directors.

Name of Director	Date of Appointment/ Re appointment/ Cessation	Nature	Reason
Mrs. Sonam Choukhany	May 18, 2019	Change in Designation	Re designated as Whole Time Director.
Mr. Manoj Soni	May 18, 2019	Change in Designation	Regularised as Independent Director
Mr. Manmohan Dixit	May 18,2019	Change in Designation	Regularised as Independent Director
Mr. Manish Agrawal	May 18, 2019	Change in Designation	Regularised as Non executive Director
Mr. Manoj Soni	April 05, 2019	Appointment	Appointment as Additional Independent Director
Mr. Manmohan Dixit	April 05, 2019	Appointment	Appointment as Additional Independent Director
Mr. Manish Agrawal	April 05, 2019	Appointment	Appointment as Additional Non executive Director
Mr. Manoj Choukhany	April 05, 2019	Change in Designation	Re- appointment as Managing Director
Mrs. Sonam Choukhany	March 04, 2019	Appointment	Appointment as Additional Director
Mr. Kalpesh Devendrakumar Chopra	March 04, 2019	Resignation	Pre occupation
Mr. Manishkumar Indramal Nagori	April 05, 2019	Resignation	Pre occupation

## ORGANISATION STRUCTURE



## Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Red Herring Prospectus, there are Five (5) Directors on our Board out of which two (2) directors are Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the Equity Listing Agreements and the Companies Act, 2013 to the extent applicable.

**The followings committees have been formed in compliance with the corporate governance norms:**

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

### 1. Audit Committee

To comply with the provisions of Companies Act, 2013 and the related rules, Audit Committee was constituted by our directors at their board meeting held on May 24, 2019. The Audit Committee shall meet at least four times a year with maximum interval of 120 (one hundred and twenty) days between two of its meetings. The scope and

functions of the Audit Committee are in accordance with section 177 of the Companies Act, 2013. The Audit Committee consists of

Name of Director	Status in Committee	Nature of Directorship
Mr. Manmohan Dixit	Chairman	Independent Director
Mr. Manoj Soni	Member	Independent Director
Mr. Manojkumar Choukhany	Member	Managing Director

The Company Secretary of our Company shall act as a secretary to the Audit Committee.

An independent director shall always be the Chairman of the Audit Committee. The Chairman of the Audit Committee shall attend the annual general meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. 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 Issuer. 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 terms of reference of Audit Committee complies with requirements of section 177 of The Companies Act, 2013. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 (one hundred and twenty) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven days' notice in advance.

**C. Role and Powers:** The Role of Audit Committee together with its powers shall be as under:

1. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
2. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
3. Audit committee shall oversee the vigil mechanism.
4. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval;
  - a. Changes, if any, in accounting policies and practices and reasons for the same
  - b. Major accounting entries involving estimates based on the exercise of judgment by management
  - c. Significant adjustments made in the financial statements arising out of audit findings
  - d. Compliance with listing and other legal requirements relating to financial statements
  - e. Disclosure of any related party transactions
  - f. Qualifications in the draft audit report.
5. Approval or any subsequent modification of transactions of the Company with related party;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered in to by the Company subject to such conditions provided under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) therof;

6. Reviewing, with the management, and monitoring the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Scrutiny of Inter-corporate loans and investments;



8. Reviewing and discussing 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;
9. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
10. Valuation of undertakings or assets of the company, where ever it is necessary;
11. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
12. The Audit committee may call for the comments of the auditors about internal control system, the scope of audit including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and management of the Company.
13. The Audit committee shall have the authority to investigate into any matter in relation to items specified in Section 177 (4) of the Companies Act, 2013 or referred to it by the Board.
14. Carrying out any other function as assigned by the Board of Directors from time to time.

**The Audit Committee shall mandatorily review the following information:**

- a. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c. Internal audit reports relating to internal control weaknesses; and
- d. The appointment, removal and terms of remuneration of the Internal Auditor.
- e. Statement of deviations:
  - ❖ half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange in terms of Regulation 32(1) of SEBI Listing Regulations, 2015.
  - ❖ annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulations, 2015.

The Audit Committee shall have power;

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**2. Stakeholders Relationship Committee:**

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on May 24, 2019. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Stakeholders' Relationship Committee include the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Manish Agrawal	Chairman	Non executive Director
Mr. Manoj Soni	Member	Independent Director
Mr. Manmohan Dixit	Member	Independent Director

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Quorum and Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum

shall be two members present

- C. Terms of Reference:** Redressal of stakeholders’ and investors’ complaints, including and in respect of:
1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
  2. Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
  3. Issue duplicate/split/consolidated share certificates;
  4. Dematerialization/Rematerialization of Share;
  5. Review of cases for refusal of transfer / transmission of shares and debentures;
  6. Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; and
  7. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

**3. Nomination and Remuneration Committee:-**

To comply with the provisions of Section 178 of the Companies Act, 2013 and the related rules, the Nomination and Remuneration/Compensation Committee was constituted by our Board of Directors by a resolution passed at the Board meeting on May 24, 2018.

Name of the Director	Status in Committee	Nature of Directorship
Mr. Manmohan Dixit	Chairman	Independent Director
Mr. Manoj Soni	Member	Independent Director
Mr. Manish Agrawal	Member	Non Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arise for review of managerial remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Remuneration Committee shall be called by at least seven days’ notice in advance.
- C. Terms of Reference:**
1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
  2. Formulation of criteria for evaluation of Independent Directors and the Board;
  3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director’s performance.
  5. Determine our company’s policy on specific remuneration package for the managing Director/ Executive Director including pension rights

6. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
8. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.

Ms. Nikita Suyani, Company Secretary and Compliance Officer will be 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.

### **Policy on disclosure and internal procedure for prevention of Insider Trading**

The provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on Stock Exchange.

### **Our Key Managerial Personnel**

Our Company is supported by a professionals having good exposure to various operational aspects of our line of business. Given below are details of Key managerial Personnel, in addition to Mr. Manoj Choukhany, the Chairman and Managing Director and Mrs Sonam Choukhany, the Whole Time Director of our Company, as on the date of this Red Herring Prospectus. For details on profile of our Managing Director and Whole Time Director, please refer the section titled “*Our Management*” on page no. 112 of this Red Herring Prospectus.

### **Brief Profile of Key Managerial Personnel**

**Mr. Manish Nagori**, aged 35 years, residing at A/ F-9, Rushika Apartment, NR Sujata Flats, Shahibag, Ahmedabad-380004, Gujarat, India is appointed as Chief Financial Officer vide Board resolution dated April 05, 2019 of our Company. He has joined our Company in the year 2008 as Executive in Marketing and further he was appointed as Director of our Company w.e.f April 01, 2013. He has completed his Masters in Business Administration from AES Post Graduate Institute of Business Management and has also completed Diploma in Marketing Management from Zydus Cadila Healthcare-AMA Center for Marketing Management in the year 2006. He has vast Experience in the field of Accounting & Finance. He is responsible for looking after accounting, finance and taxation of our Company. He was paid a gross remuneration of 9.84 Lakhs in previous F.Y. 2018-19.

**Ms. Nikita Suyani**, aged 25 years, residing at Hanuman Koloni, Veraval Patan, Junagadh, Veraval, Gujarat-362265 is appointed as Company Secretary vide Board Resolution dated April 05, 2019 of our Company. She is a Company Secretary from Institute of Company Secretaries of India and holds degree of Bachelor of Commerce from R.J Tibrewal Commerce College and degree of LLB from Maneklal Nanavati Law College and has overall experience of 9 months in her functional area. She is responsible for day to day operations and look after the overall secretarial work and corporate compliances of our Company. She joined our Company on April 5, 2019. She was paid Nil remuneration in previous F.Y. 2018-19.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2018.

- Except as stated in section titled “*Our Management*” and “*Our Business*” on page no. 112 and 87 respectively of this Red Herring Prospectus the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the Issue.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Red Herring Prospectus except as follows

Sr. No.	Name of Key Managerial Person	Number of shares
1.	Mr. Manojkumar Choukhany	40,27,348
2.	Mrs. Sonam Choukhany	14,84,938
3.	Mr. Manish Nagori	58,630

- Presently, we do not have ESOP/ESPS scheme for our employees .
- The turnover of KMPs is not high, compared to the Industry to which we belong.
- None of our Directors and our key managerial personnel is related to our promoters and directors except as stated in section titled “*Our Management*” on page no. 112 of this Red Herring Prospectus.

#### **Changes in the Key Managerial Personnel in Last Three Years:**

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:-

Sr. No.	Name	Designation	Date of Appointment / Cessation/ Promotion	Reasons
1.	Mr. Manish Nagori	Chief Financial Officer	April 05, 2019	Appointment
2.	Ms. Nikita Suyani	Company Secretary & Compliance Officer	April 05, 2019	Appointment
3.	Mr. Manojkumar Choukhany	Chairman and Managing Director	April 05, 2019	Change in Designation
4.	Mrs. Sonam Choukhany	Executive Director	April 05, 2019	Change in Designation

**Bonus or profit sharing plan of the Key Managerial Personnel:-**There is no bonus or profit sharing plan for our Key Managerial Personnel.

#### **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 the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in the Company, if any. Save and except as stated in the section "Interest of Directors" above, none of our Key Managerial Personnel has been paid any consideration of any nature from the Company, other than their remuneration.

#### **Payment of Benefit to Officers of the Company**



Save and except for the payment of salaries, yearly bonus and accommodation arrangements we do not provide any other benefits to our employees.

**OUR PROMOTERS AND PROMOTER GROUP**

**Our Promoters**

Our Promoters are Mr. Manojkumar Choukhany and Mrs. Sonam Choukhany. As on the date of this Red Herring Prospectus, the Promoters holds 55,12,286 Equity Shares which in aggregate, constitutes 73.30 % of the issued and paid-up Equity Share capital of our Company.

**Details of Individual Promoters of our Company**

	<p><b>Mr. Manojkumar Choukhany</b> born on February 22, 1966 aged 53 years is one of the Promoter and Chairman and Managing Director of our Company. He has more than 15 years of experience in the Luggage industry. He has completed his Bachelor of Commerce from D.H.S.K Commerce College, Dibrugarh. He is responsible for the development and implementation of Company's growth strategy and expansion in India and overseas. With his vast experience in the luggage industry, he has been the driving force behind the success of our Company and has contributed immensely towards the overall growth of our Company.</p> <p><b>Driving License Number:</b> GJ-0120110079246  <b>PAN:</b> ABHPC8120D  <b>Aadhar Number:</b> 699419646251</p> <p><b>Address:</b> B-501, Palak Crystal, Nr. Satyagrah Chhavni Ramdevnagar Cross Road Satellite , Ahmedabad- 380015 Gujarat, India.</p> <p><b>Other Venture:</b> Vulcan Petrochem LLP</p> <p>For further details in relation to other directorship of Mr. Manojkumar Choukhany, please refer to section titled "<i>Our Management</i>" and "<i>Information with respect to Group Companies</i>" beginning on page 112 and 176 of this Red Herring Prospectus.</p>
	<p><b>Mrs. Sonam Choukhany</b> born on December 08, 1972, aged 47 years, is one the Promoter and Whole Time director of our Company. She has 7 years of experience in Luggage Industry. She holds Bachelor's Degree in commerce in from Kolkata University. She is responsible for looking for developing and designing the products of the Company.</p> <p><b>Driving License Number:</b>55178/DBR.  <b>PAN:</b> ABHPC8121C  <b>Aadhar Number:</b> 731454634967</p> <p><b>Address:</b> B-501, Palak Crystal, Nr. Satyagrah Chhavni Ramdevnagar Cross Road, Satellite Ahmedabad- 380015 Gujarat, India.</p> <p><b>Other Venture:</b> Nil</p> <p>For further details in relation to other directorship of Mrs. Sonam Choukhany, please refer to section Choukhany titled "<i>Our Management</i>" and "<i>Information with respect to Group Companies</i>" beginning on page 112 and 176 of this Red Herring Prospectus.</p>

Our Company confirms that it has submitted the details of the PAN, Bank Account Number and Passport Numbers of our Promoters to the Stock Exchange at the time of filing this Red Herring Prospectus.

### **Change in the control or management of the Issuer in last five years**

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

### **Interest of Promoters in promotion of our Company**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and our Subsidiary and the dividends payable, if any, and any other distributions in respect of such shareholding.

For details regarding the shareholding of our Promoters in our Company and our Subsidiary, please refer the section titled "*Capital Structure*", "*History and Certain Corporate Matters*" and "*Our Management*", beginning on pages 51, 107 and 112, respectively. For details on the Group Companies and the nature and extent of interest of our Promoters in the Group Companies, please refer the section titled "*Information with respect to Group Companies*", beginning on page 176 of this Red Herring Prospectus.

Our Promoters are the Directors of the Company and may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AoA of the Company. For details please refer to the section titled "*Our Management*", "*Financial Statements*" and "*Capital Structure*" beginning on page 112, 130 and 51 respectively of this Red Herring Prospectus.

### **Interests of Promoters in property of our Company**

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the three years (3) preceding the date of this Red Herring Prospectus, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

### **Business Interests**

Except as stated in Consolidated related party transactions as restated as appearing in Annexure **XXX** and "*Our Management*" beginning on pages 150 and 112, respectively of this Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years (2) from the date of this Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Other than our Subsidiary, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoters are not related to any sundry debtors of our Company.

Except as disclosed in this Red Herring Prospectus, our Promoters are not interested as a member of a firm or company, and no sum have been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

### **Common Pursuits**

Our Promoters have interest in our subsidiary company i.e. Goblin France SARL, which are engaged in the business similar to our Company. As on the date of this Red Herring Prospectus, we cannot assure that our Promoters, Promoter Group/Group Entity will not promote any new entity in the similar line of business and will not favor the



interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please refer to Section titled "*Risk Factors*" "*Our Promoters and Promoter Group*" and "*Information with respect to Group Companies*" on page 21, 125 and 176 respectively of this Red Herring Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Guarantees**

Except personal guarantee for securing the repayment of certain bank loans obtained by our Company, our Promoters have not given any guarantee to a third party as of the date of this Red Herring Prospectus.

### **Confirmations**

- Our Promoters and members of our Promoter Group have not been declared nor identified as willful defaulters in terms of the SEBI Regulations.
- Further, there are no violations of securities laws committed by our Promoters and members of our Promoter Group in the past and no proceedings for violation of securities laws are pending against them.
- Our Promoters and members of our Promoter group, have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Our Promoters and members of our Promoter Group are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.
- Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

### **Payment or benefits to the Promoters and Promoter Group in the last two years**

The related party transactions entered into during the last two (2) Financial Years as per Accounting Standard 18 and in "*Interest of Promoters*" under section titled "*Our Promoters and Promoter group*" beginning on page 125 of this Red Herring Prospectus, there has been no payment or benefit to our Promoters or Promoter Group during the two (2) years prior to the filing of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

### **Disassociation by the Promoters from entities in last three (3) years**

Our Promoters have not disassociated from any of the companies or firms in the last three (3) years.

### **Relationship of Promoters with our Directors**

Except as disclosed in section titled "*Our Management*" beginning on page 112 of this Red Herring Prospectus, none of director is related to our promoters.

### **Promoter Group of our Company**

In addition to the Promoters named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulation, 2018:

**(a) Individual Promoter Group of our Promoters**

Name of our Promoters	Name of the Relative	Relationship with the Relative	
Mr. Manojkumar Choukhany	Mr. Jagdish prasad Choukhany	Father	
	Mrs. Savitridevi Choukhany	Mother	
	Mrs. Sonam Choukhany	Spouse	
	Mr. Ramavtar Choukhany Mr. Ashok Choukhany Mr. Nirmal Choukhany	Brother	
	Mrs. Sushila R Bagrodia Mrs. Saroj N Kheman Mrs. Krishna R Jhunhunwala Mrs. Manju A Agarwal	Sister	
	Miss Riya Choukhany Miss Tanisha Choukhany	Daughter	
	Mr. Ashok Kumar Agarwal	Spouse's Father	
	Mrs. Lalita Agarwal	Spouse's mother	
	Mr. Manish Agarwal Mr. Rajnish Agarwal	Spouse's brother	
	Mrs. Sonam Choukhany	Mr. Ashok Kumar Agarwal	Father
		Mrs. Lalita Agarwal	Mother
		Mr. Manoj Choukhany	Spouse
Mr. Manish Agarwal Mr. Rajnish Agarwal		Brother	
Miss Riya Choukhany Miss Tanisha Choukhany		Daughter	
Mr. Jagdish prasad Choukhany		Spouse's father	
Mrs. Savitridevi Choukhany		Spouse's mother	
Mr. Ramavtar Choukhany Mr. Ashok Choukhany Mr. Nirmal Choukhany		Spouse's brother	
Mrs. Sushila R Bagrodia Mrs. Saroj N Kheman Mrs. Krishna R Jhunhunwala Mrs. Manju A Agarwal		Spouse's sister	

**(b) Entities forming a part of Promoter Group**

The companies and entities that form part of our Promoter Group are as follows:

- ❖ Maxin Bags Private Limited.
- ❖ Citi Exim Private Limited.
- ❖ Vulcan Petrochem LLP.
- ❖ Bagrodia Tea Co. Pvt Ltd
- ❖ Time and Sound Pvt Ltd
- ❖ Camellia Processors Pvt Limited

**(C) Other Natural Persons forming part of our Promoter Group:**

Nil

## DIVIDEND POLICY

As on the date of this Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act.

The dividend, if any, will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual obligations, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of our Company. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared.

The details of dividend paid by our Company in the past Financial Year are given below:

Particulars	For the Financial Year ended on March 31		
	2019	2018	2017
No. of Equity Shares	678600	678600	678600
Face Value per share	10	10	10
Dividend per Equity Share (in Rs.)	Nil	0.25	Nil
Total Dividend (in Rs. Lakhs)	Nil	1.69	Nil
Dividend Tax (in Rs. Lakhs)	Nil	0.39	Nil

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, if any, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see “Risk Factors” on page 21 of this Red Herring Prospectus.

**SECTION IX: FINANCIAL STATEMENTS**

**RESTATED FINANCIAL INFORMATION**

**Independent Auditor's Report on Restated Consolidated Financial Statements of Goblin India Limited**

**Auditor's Report on the Consolidated Restated Statement of Assets and Liabilities as at March 31, 2019, 2018 and 2017 Profit and Loss and Cash Flow for each of the years ended on March 31, 2019, 2018 and 2017 of Goblin India Limited (Collectively, the "Restated Summary Statement")**

**To**

**The Board of Directors**

**Goblin India Limited**

Camex house, 1<sup>st</sup> floor, Commerce Road, navrangpura  
Ahmedabad-380009, Gujrat

Dear Sir,

1. We have examined the attached Consolidated Restated Summary Statement along with significant accounting policies and related notes of **Goblin India Limited** and **its Subsidiary**, (hereinafter referred to as "the Group") as at and for the year ended March 31, 2019, 2018 and 2017 annexed to this report and prepared by the management of the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of BSE Limited.
2. These Consolidated Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**")
3. We have examined such Consolidated Restated Financial Statements taking into consideration:
  - (i) The terms of reference to our engagement letter with the Company requesting us to carry out the assignment, in connection with this Red Herring Prospectus/ Red Herring Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on SME Platform of BSE Limited ("**IPO**" or "**SME IPO**"); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
4. We did not audit the financial statements of the subsidiary for the year ended March, 2019, 2018 and 2017. The financials of the subsidiary have been furnished to us by the management and on which we have relied, and our opinion, in so far as it relates the amount included in the financial statement of the subsidiary, is solely based on the financial submitted by management. The Consolidated Restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the Year ended on March 31, 2019, 2018 and 2017.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- (i) The “**Consolidated Restated Statement of Asset and Liabilities**” of the Company as at March 31, 2019, 2018 and 2017 by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (ii) The “**Consolidated Restated Statement of Profit and Loss**” of the Company for the year ended on, March 31, 2019, 2018 and 2017 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the Consolidated Restated Summary Statements to this report.
  - (iii) The “**Consolidated Restated Statement of Cash Flows**” of the Company for the year ended on March 31, 2019, 2018 and 2017 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to Consolidated Restated Summary Statements to this report.
6. Based on our examination, we are of the opinion that the Consolidated Restated Financial Statements have been prepared:
- a) Using consistent accounting policies for all the reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate.
  - c) There are no extra-ordinary items other than those appearing in financials that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the audit reports issued by the statutory auditor for the year ended March 31, 2019, 2018 and 2017 which would require adjustments in this Consolidated Restated Financial Statement of the Company.
  - e) There are no revaluation reserves, which need to be disclosed separately.
  - f) The Company has not paid any dividend on its equity shares
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the year ended on March 31, 2019, 2018 and 2017 proposed to be included in this Red Herring Prospectus /Red Herring Prospectus/ Prospectus (“**Offer Document**”).

**Annexure to Consolidated Restated Financial Statements of the Company: -**

1. Summary Consolidated statement of assets and liabilities, as Restated as appearing in ANNEXURE I;
2. Summary Consolidated statement of profit and loss, as Restated as appearing in ANNEXURE II;
3. Summary Consolidated statement of cash flow as Restated as appearing in ANNEXURE III;
4. Significant accounting policies as Consolidated Restated as appearing in ANNEXURE IV;
5. Details of Consolidated share capital as Restated as appearing in ANNEXURE V to this report;
6. Details of Consolidated reserves and surplus as Restated as appearing in ANNEXURE VI to this report;
7. Details of Consolidated long-term borrowings as Restated as appearing in ANNEXURE VII to this report;
8. Details of Consolidated deferred tax asset/liability as Restated as per ANNEXURE VIII to this report;
9. Details of Consolidated long-term provision as Restated as appearing in ANNEXURE IX to this report;
10. Details of Consolidated Short Term Borrowing as Restated as appearing in ANNEXURE X to this report;
11. Details of Consolidated Trade Payable as Restated as appearing in ANNEXURE XI to this report;

12. Details of Consolidated Other Current Liabilities as Restated as appearing in ANNEXURE XII to this report;
  13. Details of Consolidated Short-term provision as Restated as appearing in ANNEXURE XIII to this report;
  14. Details of Consolidated Fixed Assets as Restated as appearing in ANNEXURE XIV to this report;
  15. Details of Consolidated Long Term Loans and Advances as Restated as appearing in ANNEXURE XV to this report;
  16. Details of Consolidated Inventories as Restated in ANNEXURE XVI to this report;
  17. Details of Consolidated Trade Receivables as Restated appearing in ANNEXURE XVII to this report;
  18. Details of Consolidated Cash & Cash Equivalents as Restated appearing in ANNEXURE XVIII to this report;
  19. Details of Consolidated Short-Term Loans and Advances as Restated as appearing in ANNEXURE XIX to this report;
  20. Details of Consolidated Other current Assets as Restated as appearing in ANNEXURE XX to this report;
  21. Details of Consolidated Revenue from Operations as Restated as appearing in ANNEXURE XXI to this report;
  22. Details of Consolidated cost of material consumed and purchase of stock in trade as Restated appearing in ANNEXURE XXII to this report;
  23. Details of Consolidated change in inventory as Restated appearing in ANNEXURE XXIII to this report;
  24. Details of Consolidated employee benefit expenses as Restated appearing in ANNEXURE XXIV to this report;
  25. Details of Consolidated finance cost as Restated appearing in ANNEXURE XXV to this report;
  26. Details of Consolidated depreciation as Restated appearing in ANNEXURE XXVI to this report;
  27. Details of Consolidated other expenses as Restated appearing in ANNEXURE XXVII to this report;
  28. Details of Consolidated Other Income as Restated as appearing in ANNEXURE XXVIII to this report
  29. Details of Consolidated Contingent Liability as Restated as appearing in ANNEXURE XXIX to this report
  30. Details of Consolidated related party transactions as Restated as appearing in ANNEXURE XXX to this report;
  31. Summary of Consolidated Capitalization Statement as at March 31, 2019 as Restated as appearing in ANNEXURE XXXI to this report,
8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  10. In our opinion, the above financial information contained in Annexure I to XXX of this report read with the respective significant accounting policies and notes to Consolidated Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.



11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For O.R. Maloo & Co.**  
**Chartered Accountants**  
**Firm Registration No.: - 135561W**

**Omkar Maloo**  
**Partner**  
**Membership No.-044074**  
**Ahmedabad,**  
**Date: July 13, 2019**

**ANNEXURE I**  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Amount in Rs. in Lacs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	67.86	67.86	67.86
(b) Reserves and Surplus	729.99	369.80	134.17
<b>(2) Share Application Money Pending Allotment</b>	-	-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	719.07	301.59	341.00
(b) Long term provision	12.46	11.06	9.53
(c) Other Long-Term Liabilities	-	-	-
(d) Deferred Tax Liability	-	-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	1301.86	1,495.50	1,279.59
(b) Trade Payables	286.24	816.35	262.04
(c) Other Current Liabilities	483.25	203.98	178.48
(d) Short-Term Provisions	79.51	62.16	10.56
<b>Total</b>	<b>3,680.24</b>	<b>3,328.30</b>	<b>2,283.23</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
- Tangible Assets	202.02	141.56	156.31
- Intangible Assets	-	-	-
- Capital Work in Progress	-	-	-
(b) Non-Current Investments	-	-	-
(c) Deferred Tax Assets	14.98	11.24	12.31
(d) Long Term Loans And Advances	27.10	27.48	26.12
(e) Other Non Current Assets	-	-	-
<b>(2) Current Assets</b>			
(a) Inventories	1,647.54	1,138.54	714.24
(b) Trade receivables	1,560.62	1,510.10	1,098.94
(c) Cash and Cash Equivalents	58.78	108.46	136.23
(d) Short-Term Loans And Advances	66.70	312.51	132.69
(e) Other Current Assets	102.51	78.40	6.39
<b>Total</b>	<b>3680.24</b>	<b>3,328.30</b>	<b>2,283.23</b>

Note: The above statement should be read with the restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures II, III and IV respectively.

**ANNEXURE II**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS AS RESTATED**

(Amount in Rs. in Lacs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Revenue:</b>			
Revenue from Operations (Net of Taxes)	6,827.62	6,074.05	5,239.12
Other Income	21.03	19.64	4.86
<b>Total Revenue(A)</b>	<b>6,848.65</b>	<b>6,093.69</b>	<b>5,243.98</b>
<b>Expenses:</b>			
Cost of Material Consumed	-	3.01	2.11
Purchase of Stock in Trade	6,092.03	5,266.59	4,305.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-509.00	-427.31	186.90
Employee benefit expenses	220.16	211.81	168.98
Financial Cost	251.32	179.02	161.19
Depreciation and amortization expenses	29.72	18.33	17.63
Others Expenses	345.01	466.57	320.79
<b>Total Expenses(B)</b>	<b>6,429.23</b>	<b>5,718.03</b>	<b>5,163.01</b>
Profit before exceptional, extraordinary items and tax (A-B)	<b>419.42</b>	<b>375.66</b>	<b>80.97</b>
Less: Exceptional Items	-	-	-
Profit before extraordinary items and tax	419.42	375.66	80.97
Prior Period Items	-	-	-
Extra ordinary items	-	-	-
<b>Profit before tax</b>	<b>419.42</b>	<b>375.66</b>	<b>80.97</b>
<i>Tax expense :</i>			
Current tax	-78.24	-65.23	-17.20
Deferred Tax - Current Year	3.74	-1.07	-0.45
<b>Profit/(Loss) for the period After Tax- PAT</b>	<b>344.92</b>	<b>309.37</b>	<b>63.32</b>

Note: The above statement should be read with the restated of assets & liabilities, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, III and IV respectively.

**ANNEXURE III**  
**CONSOLIDATED STATEMENT OF CASH FLOW AS RESTATED**

(Amount in Rs. in Lacs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Cash Flow From Operating Activities:</b>			
Net Profit before tax as per Profit and Loss A/c	419.42	363.99	80.97
<b>Adjustments for:</b>			
Depreciation & Amortization Expense	29.72	18.33	17.63
Foreign currency translation difference	15.28	-71.69	29.78
Interest Income	-	-2.81	-0.01
Finance Cost	135.26	166.04	152.43
<b>Operating Profit Before Working Capital Changes</b>	<b>599.68</b>	<b>485.54</b>	<b>280.79</b>
Working Capital Adjustment			
Increase/(Decrease) in Short term borrowing	-193.64	215.91	228.39
Increase/(Decrease) in Trade Payable	-530.11	554.31	28.35
Increase/(Decrease) in Other current liabilities	279.27	25.50	21.64
Increase/(Decrease) in provisions	18.75	53.13	5.27
(Increase)/Decrease in Inventories	-509.00	-424.30	189.00
(Increase)/Decrease in Trade receivables	-50.52	-411.16	-497.10
(Increase)/Decrease in Short-Term Loans And Advances	245.81	-179.82	-61.62
(Increase)/Decrease in Other Current Assets	-24.11	-72.01	3.48
<b>Cash Generated From Operations</b>	<b>-163.87</b>	<b>238.44</b>	<b>-82.59</b>
Appropriation of Profit	-	-	-
Net Income Tax paid/ refunded	-78.24	-65.23	-17.20
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>-242.11</b>	<b>181.87</b>	<b>181.01</b>
<b>Cash Flow From Investing Activities:</b>			
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	-90.17	-3.59	-13.01
Interest Income	-	2.81	0.01
Net (Increase)/Decrease in Long Term Loans & Advances	0.37	-1.35	1.76
Net (Increase)/Decrease in other Non current assets			
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>-89.80</b>	<b>-2.13</b>	<b>-11.24</b>
<b>Cash Flow from Financing Activities:</b>			
Proceeds From issue of Share Capital			
Net Increase/(Decrease) in Long Term Borrowings	417.48	-39.41	55.11
Net Increase/(Decrease) in Short Term Borrowings	-	-	-
Interest on borrowings	-135.26	-166.04	-152.43
Proposed Dividend	-	-1.70	-
Dividend Distribution Tax	-	-0.35	-
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>282.22</b>	<b>-207.50</b>	<b>-97.32</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	-49.69	-27.77	72.44
Cash & Cash Equivalents As At Beginning of the Year	108.46	136.23	63.79
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>58.78</b>	<b>108.46</b>	<b>136.23</b>

Notes:

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
- Figures in Brackets represents outflow.

6. The above statement should be read with the restated statement of assets and liabilities, statement of profit & loss, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II and IV respectively.

#### **ANNEXURE – IV A**

### **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENTS**

#### **1. COMPANY OVERVIEW**

**Goblin India Limited**(the company) is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of Trading.

#### **2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A) BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The Consolidated Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2019, March 31, 2018 and March 31, 2017 and the Consolidated Restated Summary Statement of Profit and Loss and Consolidated Restated Summary Statements of Cash Flows for the same period mentioned above and the annexure thereto (collectively, the “Consolidated Restated Financial Statements” or “Consolidated Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the year ended on March 31, 2019, March 31, 2018 and March 31, 2017.

##### **B) USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires management to make assumptions, critical judgments and estimates, which it believes are reasonable under the circumstances that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

##### **C) REVENUE RECOGNITION**

- a) Revenue is recognized when the significant risks and rewards of ownership of goods are transferred to the customer. Sales are net of discounts, sales tax, value added tax and estimated returns.
- b) Income from services is recognized when the services are rendered or when contracted milestones have been achieved.
- c) Revenue from arrangements which includes performance of obligations is recognized in the period in which related performance obligations are completed.

##### **D) PROPERTY, PLANT AND EQUIPMENT**

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable cost of bringing the asset to working condition for intended use. Property, Plant and Equipment are re-arranged and re-grouped according to the Company Act, 2013.

##### **E) DEPRECIATION AND AMORTIZATION**

Depreciation on fixed assets for the year ended March 31, 2017, 2018 and 2019 is provided as per WDV method based on the useful life of various assets,, as specified in Schedule II of the Companies Act, 2013.

#### **F) BORROWING COST**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

#### **G) VALUATION OF INVENTORIES**

Inventories are valued at the lower of cost and net realizable value. Provision for impairment is made when there is high uncertainty in sale ability of an item. Costs incurred in bringing inventories to its existing location and condition are added to the cost of inventories.

#### **H) EMPLOYEE BENEFITS**

Short-term employee benefits like salaries, wages, and bonus and welfare expenses payable wholly within twelve months of rendering the services are accrued in the year in which the associated services are rendered by the employees.

#### **I) TAXATION**

- a) Current tax is accounted on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred tax resulting from “timing differences” between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Net deferred tax liabilities are arrived at after setting off deferred tax assets.

#### **J) EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **K) PROVISION AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefits is remote. A contingent asset is neither recognized nor disclosed in the financial statements.

#### **L) CURRENT ASSETS, LOANS AND ADVANCES**

The balance under items of Sundry Debtors, Loans and Advances and current liabilities are subject to confirmation and reconciliation and consequential adjustments, wherever applicable. However, in the opinion of the Management, the realisable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.



## M) CASH FLOW

The cash flow statement is prepared under the “Indirect Method” as set out in AS - 3 “Cash Flow Statements” issued by the Institute of Chartered Accountants of India.

### 3. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies adopted by the Company.

### 4. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

#### ANNEXURE – IVB RECONCILIATION OF RESTATED CONSOLIDATED PROFIT

(Amount in Rs. in Lacs)

Particulars	For the year ended March 31,		
	2019	2018	2017
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	344.92	297.69	65.78
<b>Adjustments for:</b>			
Provision for Gratuity	-	-11.67	2.45
Provision for Tax	-	-	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>344.92</b>	<b>309.37</b>	<b>63.32</b>

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

#### Adjustments having impact on Profit

1. Provision For Deferred Tax – Deferred Tax has been calculated taking into account timing differences arising in one period and capable of reversal in another accounting period and so profit for the periods under restatement have been adjusted accordingly taking into account deferred tax profit /loss.

2. Provision For Taxation-Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years and Mat Credit Availed.

3. Provision for Gratuity –The Company has made the necessary provision for gratuity as per the actuarial valuation reports obtained by them.

#### ANNEXURE – IVC RECONCILIATION OF RESTATED CONSOLIDATED EQUITY/NETWORTH

(Amount in Rs. in Lacs)

Adjustments for	For the year ended March 31,		
	2019	2018	2017
Equity / Net worth As per Audited Financials	797.85	437.66	213.70
<b>Adjustments for:</b>			

Prior Period Adjustments (Refer note 1)	-	-	-
Differences pertaining to changes in Profit / Loss due to restated effect for the period covered in Restated Financial	-	-	-11.67
<b>Equity / Net worth As Restated</b>	<b>797.85</b>	<b>437.66</b>	<b>202.03</b>

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Adjustments having impact on Profit:**

**Note: 1**

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

**To give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**ANNEXURE – V  
DETAILS OF CONSOLIDATED SHARE CAPITAL AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>EQUITY SHARE CAPITAL :</b>			
<b>AUTHORISED:</b>			
Equity Shares of Rs. 10/- each	1,100.00	1,100.00	100.00
	1,100.00	1,100.00	100.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
Equity Shares of Rs. 10/- each	67.86	67.86	67.86
	67.86	67.86	67.86
<b>Reconciliation of number of shares outstanding at the end of the year:</b>			
Equity Shares at the beginning of the year Class	6.79	6.79	6.79
Add: Shares issued during the year	-	-	-
Add: Bonus Shares issued during the year	-	-	-
<b>TOTAL</b>	<b>6.79</b>	<b>6.79</b>	<b>6.79</b>

**For the period 3 years immediately preceding the date at which the balance sheet is prepared:**

Particulars	For the year ended March 31,		
	2019	2019	2019
Aggregate no. and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-
Aggregate no. and class of shares allotted as fully paid up by way of bonus shares	-	-	-
Aggregate no. and class of shares bought back	-	-	-

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Particulars	For the year ended March 31,					
	2019		2018		2017	
	No.	% of Holding	No.	% of Holding	No.	% of Holding
Manoj kumar Choukhany	243,500	35.88%	196,000	28.88%	196,000	28.88%
Sonam Manojkumar Choukhany	102,500	15.10%	102,500	15.10%	102,500	15.10%
Gautam Gaurav Choukhany	-	0.00%	47,500	7.00%	47,500	7.00%
Chandraprakash B. Chopra	100,000	14.74%	100,000	14.74%	100,000	14.74%
Jayshree C. Chopra	60,000	8.84%	60,000	8.84%	60,000	8.84%
Rahul C. Chopra	66,600	9.81%	66,600	9.81%	66,600	9.81%
Devendra Chopra	60,000	8.84%	60,000	8.84%	60,000	8.84%
Kalpesh Chopra	38,500	5.67%	38,500	5.67%	38,500	5.67%
<b>Total</b>	<b>671,100</b>	<b>98.89%</b>	<b>671,100</b>	<b>98.89%</b>	<b>671,100</b>	<b>98.89%</b>

**ANNEXURE – VI**  
**DETAILS OF CONSOLIDATED RESERVES & SURPLUS AS RESTATED**

(Amount in Rs. in Lacs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>PROFIT AND LOSS ACCOUNT</b>			
Opening Balance	241.72	-65.60	-128.93
Add: Profit / (Loss) for the year / period	344.92	309.37	63.32
Less: Proposed Dividend	-	-1.70	-
Less: Dividend Distribution Tax	-	-0.30	-
Closing Balance	586.63	241.72	-65.60
Foreign Currency Translation Difference	-23.74	-39.02	32.67
<b>SECURITIES PREMIUM ACCOUNT</b>			
Opening Balance	167.10	167.10	167.10
Add: Premium received during the year	-	-	-
Less: Utilised for Bonus Shares issued	-	-	-
Closing Balance	167.10	167.10	167.10
<b>TOTAL</b>	<b>729.99</b>	<b>369.80</b>	<b>134.17</b>

**ANNEXURE – VII**  
**DETAILS OF CONSOLIDATED LONG-TERM BORROWINGS AS RESTATED**

(Amount in Rs. in Lacs)

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Secured</b>			
Term Loan from Banks	69.35	1.02	4.00
Term Loan –Other	-	-	-
<b>Unsecured</b>			
Term Loan from Banks	65.62	28.62	2.39
Term Loans from Financial Institutions	314.94	143.53	12.68
Director	1.25	0.10	86.50
Inter corporate Loans	267.91	128.32	235.44
<b>TOTAL</b>	<b>719.07</b>	<b>301.59</b>	<b>341.00</b>

Nature of Facility	Sanctioned Amount (Rs. in Lakhs)	Rate of Interest	Repayment Schedule	Security Details
BMW India Financial Service P Ltd-1	36.00	9.75%	48 Months	BMW 320d Car
BMW India Financial Service P Ltd.-2	38.40	9.75%	48 Months	BMW 320d Car
HDFC Bank - Brezza Car	9.75	Fixed	60 Months	Brezza Car
ICICI Bank Ltd.	8.40	9.51%	36 Months	Honda Jazz
Aditya Birla Finance Ltd	40.00	Fixed	36 Months	NIL
Bajaj Finance Ltd.	28.00	17.50%	36 Months	NIL
Capital First Ltd.	45.39	10.53%	36 Months	NIL
Capital First Ltd.	40.32	10.53%	36 Months	NIL
Capital Flot Finance Pvt. Ltd.	10.02	18.82%	36 Months	NIL
Digikredit Finance Pvt Ltd.	25.09	20%	12 Months	NIL
ECL Finance Ltd.	45.10	18%	36 Months	NIL
Fullerton India Credit Company Ltd.	24.58	17.50%	48 Months	NIL
ICICI Bank Ltd.(unsecured)	30.00	Fixed	36 Months	NIL
IFMR	40.07	18.82%	36 Months	NIL
India Infoline Finance Ltd.	48.75	18%	24 Months	NIL
IndusInd Bank	50.00	18.50%	36 Months	NIL
IVL Finance Ltd	35.35	18%	36 Months	NIL
Kotak Mahindra Bank (BL)	45.00	Fixed	24 Months	NIL
Magma Finserve Ltd	40.00	18%	24 Months	NIL
Oxyzo Financial Services Pvt.Ltd.	100.00	18%	90 Days Bill Discounting	NIL
Pinnacle Capital Solutions P ltd.	30.00	19%	18 Months	NIL
Ratnakar Bank Ltd.	40.12	18.10%	36 Months	NIL
Shriram City Union Finance Ltd.	45.50	18%	36 Months	NIL
Tata Capital Financial Services Ltd	50.00	17.95%	24 Months	NIL
United Petro Finance Ltd.	35.00	18%	90 Days Bill Discounting	NIL

**ANNEXURE – VIII**  
**DETAILS OF CONSOLIDATED DEFERRED TAX ASSET/LIABILITY AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Deferred Tax Liability</b>			
Deferred Tax (Assets)/ Liabilities (Net)	-14.98	-11.24	-12.31
<b>Deferred Tax Liability/(Assets) (net)</b>	<b>-14.98</b>	<b>-11.24</b>	<b>-12.31</b>

**ANNEXURE – IX**  
**DETAILS OF CONSOLIDATED LONG-TERM PROVISIONS AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Provision for Gratuity	12.46	11.06	9.53
<b>TOTAL</b>	<b>12.46</b>	<b>11.06</b>	<b>9.53</b>

**ANNEXURE – X**  
**DETAILS OF CONSOLIDATED SHORT-TERM BORROWINGS AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Secured - Working Capital Loans</b>			
From Banks - Rupees Loans - Cash Credit	992.14	1,168.83	1,001.93
Current Account Adverse Balance	309.71	326.45	277.66
Inter Corporate Loans	-	0.23	-
<b>TOTAL</b>	<b>1,301.86</b>	<b>1,495.50</b>	<b>1,279.59</b>

Nature of Facility	Sanctioned Amount (Rs. in Lakhs)	Rate of Interest	Repayment Schedule	Security Details
Axis Bank Ltd.	995.00	9.70%	On Demand	1)Ware House : A/44, Changodar Industrial Estate, Changodar, Ta. : Sanand, Dist : Ahmedabad & 2)Residence : B/501, Palak Crystal, Ramdevnagar Cross Raod, Satellite, Ahmedabad

**ANNEXURE – XI**  
**DETAILS OF CONSOLIDATED TRADE PAYABLES AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Trade Payables	240.51	768.91	257.85
Trade Payable For Expense	45.73	47.43	4.19
<b>TOTAL</b>	<b>286.24</b>	<b>816.35</b>	<b>262.04</b>

**ANNEXURE – XII**  
**DETAILS OF OTHER CONSOLIDATED CURRENT LIABILITIES AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	As at March 31,		
	2019	2018	2017
Outstanding Expenses	37.95	39.82	33.23
Statutory Dues	69.49	43.62	27.27
Current Maturities of long term debt- secured	10.45	2.98	8.22
Current Maturities of long term debt- unsecured	283.86	82.50	56.88
Advance From Customers	61.91	11.50	46.18
Unpaid Dividend	1.70	1.70	-
Current Liabilities - Other	17.90	21.88	6.70
<b>TOTAL</b>	<b>483.25</b>	<b>203.98</b>	<b>178.48</b>

**ANNEXURE – XIII**  
**DETAILS OF CONSOLIDATED SHORT-TERM PROVISIONS AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	As at March 31,		
	2019	2018	2017
Gratuity Payable	15.16	2.58	2.14
Provision For Taxation	78.24	65.23	17.20
Less: Advance Tax & TDS	-1.43	-5.65	-8.78
<b>TOTAL</b>	<b>79.51</b>	<b>62.16</b>	<b>10.56</b>

**ANNEXURE–XIV**  
**DETAILS OF CONSOLIDATED FIXED ASSETS AS RESTATED**

For the year ended March 31, 2017:

*(Amount in Rs. in Lacs)*

Fixed Assets	Gross Block				Depreciation				Net Block	
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	Upto 01.04.2016	For The Year	Deductions / Adjustments	Upto 31.03.2017	As At 31.03.2017	As At 31.03.2016
<b><u>TANGIBLE</u></b>					-					
Building	139.09	-	-	139.09	17.96	5.82	-	23.79	115.30	121.13
Plant & Machinery	6.87	0.20	-	7.06	4.94	0.43	-	5.37	1.70	1.92
Furniture & Fitting	81.79	-	-	81.79	69.38	3.43	-	72.81	8.98	12.41
Motor Vehicles	64.25	9.11	-	73.36	43.98	6.54	-	50.52	22.84	20.27
Office Equipment	6.17	0.16	-	6.33	5.68	0.11	-	5.78	0.55	0.50
Computer & Data Processing Units	20.37	1.91	-	22.28	19.10	0.21	-	19.30	2.98	1.28
Electrical Installations&Equipments	19.09	1.64	-	20.73	15.68	1.09	-	16.77	3.96	3.41
<b>Total</b>	<b>337.63</b>	<b>13.01</b>	<b>-</b>	<b>350.64</b>	<b>176.71</b>	<b>17.63</b>	<b>-</b>	<b>194.34</b>	<b>156.31</b>	<b>160.92</b>
Previous Year Total	260.53	77.10	-	337.63	154.01	22.70	-	176.71	160.92	-

For the year ended March 31, 2018:

*(Amount in Rs. in Lacs)*

Fixed assets	Gross block				Depreciation				Net block	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Upto 01.04.2017	For the year	Deductions / adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
<b><u>TANGIBLE</u></b>					-					
Building	139.09	-	-	139.09	23.79	5.54	-	29.33	109.76	115.30
Plant & Machinery	7.06	-	-	7.06	5.37	0.36	-	5.73	1.34	1.70
Furniture & Fitting	81.79	0.57	-	82.35	72.81	1.93	-	74.74	7.61	8.98

Motor Vehicles	73.36	-	-	73.36	50.52	7.21	-	57.73	15.64	22.84
Office Equipment	6.33	1.01	-	7.34	5.78	0.38	-	6.17	1.18	0.55
Computer & Data Processing Units	22.28	1.85	-	24.13	19.30	1.83	-	21.13	3.00	2.98
Electrical Installations & Equipments	20.73	0.16	-	20.89	16.77	1.08	-	17.85	3.04	3.96
<b>Grand Total</b>	<b>350.64</b>	<b>3.59</b>	<b>-</b>	<b>354.24</b>	<b>194.34</b>	<b>18.33</b>	<b>-</b>	<b>212.67</b>	<b>141.56</b>	<b>156.31</b>
Previous Year Total	337.63	13.01	-	350.64	176.71	17.63	-	194.34	156.31	160.92

For the year ended March 31, 2019:

*(Amount in Rs. in Lacs)*

Fixed assets	Gross block				Depreciation				Net block	
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	Upto 01.04.2018	For the year	Deductions / adjustments	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
<b>TANGIBLE</b>										
Building	139.09	-	-	139.09	29.33	5.28	-	34.61	104.48	109.76
Plant & Machinery	7.06	-	-	7.06	5.73	0.28	-	6.01	1.06	1.34
Furniture & Fitting	82.35	0.34	-	82.69	74.74	1.22	-	75.96	6.73	7.61
Motor Vehicles	73.36	89.52	-	162.88	57.73	20.49	-	78.22	84.66	15.64
Office Equipment	7.34	-	-	7.34	6.17	0.40	-	6.56	0.78	1.18
Computer & Data Processing Units	24.13	0.32	-	24.45	21.13	1.38	-	22.51	1.94	3.00
Electrical Installations & Equipments	20.89	-	-	20.89	17.85	0.67	-	18.52	2.37	3.04
<b>Grand Total</b>	<b>354.24</b>	<b>90.17</b>	<b>-</b>	<b>444.40</b>	<b>212.67</b>	<b>29.72</b>	<b>-</b>	<b>242.39</b>	<b>202.02</b>	<b>141.56</b>
Previous Year Total	350.64	3.59	-	354.24	194.34	18.33	-	212.67	141.56	156.31

**ANNEXURE – XV  
DETAILS OF CONSOLIDATED LONG TERM LOANS AND ADVANCES AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Deposits to various parties</b>			
Unsecured, considered goods	27.10	27.48	16.12
<b>TOTAL</b>	<b>27.10</b>	<b>27.48</b>	<b>16.12</b>

**ANNEXURE – XVI  
DETAILS OF CONSOLIDATED INVENTORIES AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Inventories</b>			



Raw Materials (Spare parts)	-	-	3.01
Traded goods	1,647.54	1,138.54	711.23
Goods in Transit	-	-	-
<b>TOTAL</b>	<b>1,647.54</b>	<b>1,138.54</b>	<b>714.24</b>

**ANNEXURE –XVII**  
**DETAILS OF CONSOLIDATED TRADE RECEIVABLES AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
- Over Six Months	434.00	326.23	104.30
- Other Debts	1,126.62	1,183.87	994.64
<b>TOTAL</b>	<b>1,560.62</b>	<b>1,510.10</b>	<b>1,098.94</b>

**ANNEXURE – XVIII**  
**DETAILS OF CONSOLIDATED CASH & CASH EQUIVALENTS AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Cash in Hand	33.94	56.63	26.22
Balance with Bank:	20.70	36.02	98.21
Foreign Currency on Hand	4.14	15.82	11.80
<b>Total</b>	<b>58.78</b>	<b>108.46</b>	<b>136.23</b>

**ANNEXURE – XIX**  
**DETAILS OF CONSOLIDATED SHORT-TERM LOANS & ADVANCES**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Other loans &amp; Advances</b>			
<b>Unsecured, considered goods</b>			
VAT Receivable	8.19	8.23	9.43
Advances paid to creditors	26.57	282.75	99.27
Additional custom duty receivable	-	-	9.20
Advance to Staff	13.51	3.02	4.06
Income Tax Receivable	18.38	17.81	9.46
Tour Advances	0.01	0.67	0.92
FBT Receivable	0.03	0.03	0.03
Turnover Tax Receivables	-	-	0.32
<b>TOTAL</b>	<b>66.70</b>	<b>312.51</b>	<b>132.69</b>

**ANNEXURE – XX**  
**DETAILS OF OTHER CONSOLIDATED CURRENT ASSETS AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Prepaid Expenses	-	0.61	0.61

TDS Receivables	8.02	4.10	1.44
Loan and Advances to Corporate	94.49	73.70	-
Balance with Government Authorities	-	-	-
Current assets – Other	-	-	4.34
<b>Total Net Revenue from Operations</b>	<b>102.51</b>	<b>78.40</b>	<b>6.39</b>

**ANNEXURE – XXI**  
**DETAILS OF CONSOLIDATED REVENUE FROM OPERATIONS AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>REVENUE FROM OPERATIONS</b>			
Sales of Trading Goods	6,826.88	6,073.89	5,238.59
Other Operating	0.74	0.15	0.53
<b>Total Net Revenue from Operations</b>	<b>6,827.62</b>	<b>6,074.05</b>	<b>5,239.12</b>

**ANNEXURE – XXII**  
**DETAILS OF CONSOLIDATED COST OF MATERIALS CONSUMED AND PURCHASE OF STOCK IN TRADE AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>COST OF MATERIAL CONSUMED:</b>			
Inventory at the beginning of the year	-	3.01	5.12
Add: Purchase during the year	-	-	-
Less: Inventory at the end of the year	-	-	3.01
<b>Total</b>	<b>-</b>	<b>3.01</b>	<b>2.11</b>

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Purchase of Traded Goods</b>			
Luggage bags	5,791.86	4,886.50	4,085.79
Direct Expenses	297.45	367.12	209.25
Packing & Printing Material	3.07	13.46	19.67
Purchase Return	-0.34	-0.50	-9.29
<b>Total</b>	<b>6,092.03</b>	<b>5,266.59</b>	<b>4,305.41</b>

**ANNEXURE – XXIII**  
**DETAILS OF CHANGES IN CONSOLIDATED INVENTORY AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Change in Inventories of Finished Goods and Stock In Process</b>			
<b>Stock at beginning</b>			
Finished Goods	-	-	-
Traded Goods	1,647.54	1,138.54	711.23

<b>Stock at end</b>			
Finished Goods	-	-	-
Traded Goods	1,138.54	711.23	898.12
<b>Total</b>	<b>-509.00</b>	<b>-427.31</b>	<b>186.90</b>

**ANNEXURE – XXIV**  
**DETAILS OF CONSOLIDATED EMPLOYEE BENEFIT EXPENSE AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>EMPLOYEE BENEFITS EXPENSE:</b>			
Salaries & Wages	187.99	179.72	135.57
Bonus	2.03	-	1.93
Director Remuneration	25.59	24.84	24.84
ESI Contribution (Employer)	0.82	0.78	1.50
Staff Welfare Expenses	1.13	3.52	1.82
Gratuity	1.52	1.97	2.45
PF Contribution (Employer)	1.08	0.98	0.86
<b>Total</b>	<b>220.16</b>	<b>211.81</b>	<b>168.98</b>

**ANNEXURE – XXV**  
**DETAILS OF CONSOLIDATED FINANCE COST AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>FINANCE COST:</b>			
Bank Charges and Financial Charges	116.05	12.98	8.76
Interest to bank	115.51	103.50	95.47
Interest to other	19.75	62.54	56.96
<b>Total</b>	<b>251.32</b>	<b>179.02</b>	<b>161.19</b>

**ANNEXURE – XXVI**  
**DETAILS OF CONSOLIDATED DEPRECIATION AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>Depreciation &amp; Amortization</b>			
Depreciation	29.72	18.33	17.63
<b>Total</b>	<b>29.72</b>	<b>18.33</b>	<b>17.63</b>

**ANNEXURE – XXVII**  
**DETAILS OF CONSOLIDATED OTHER EXPENSES AS RESTATED**

Particulars	For the year ended March 31,		
	2019	2018	2017
<b>OTHER EXPENSES</b>			
<b>Travelling &amp; Conveyance</b>			
Travelling Expenses	19.78	17.30	8.06
Conveyance & Petrol Exp.	2.38	2.99	1.71
Foreign Travelling Expenses	20.18	9.61	11.09
<b>Rents,Rates,Taxes &amp; Insurance</b>			
(a) Rent	107.57	117.12	109.20
(b) Rate & Taxes	22.51	19.97	12.99
(c) Insurance	5.89	2.38	1.66
<b>Repair</b>			
(a) Building	-	-	-
(b) Others	0.86	4.81	7.35
<b>Auditors Remuneration</b>			
(a) Audit Fee	0.75	0.30	0.69
Electricity Expenses	8.15	7.44	6.96
General Office & Administrative Expenses	31.15	26.94	25.44
Cartage Expenses	8.02	5.37	6.12
Telephone Expenses	3.75	4.70	4.35
Loading & Unloading Expenses	2.44	2.37	2.44
Legal & Professional Charges	15.62	41.13	17.88
Freight Outward	22.99	26.05	14.95
Miscellaneous Expenses	8.69	8.04	5.01
Sales Commission	14.31	52.48	17.04
Stationery & Printing Expenses	0.50	2.67	3.67
Godown Charges	11.68	1.08	0.54
Job Work & Labour Charges	-	-	-
Diff. In Exchange Rate	-	1.19	8.24
Loss on Sale of Fixed Assets	-	-	-
Share issue Exp. W/off	-	-	-
Donation	-	0.03	0.25
2% Reduction of VAT	-	-	0.36
Advertisement Expenses	-	0.03	1.07
Selling & Distribution Expenses	19.14	81.21	29.33
Postage & Courier Expenses	-	-	-
Tender Fees	-	-	-
Discount Given	0.22	3.35	5.86
Quality Control Charges	-	-	-
Goods Distributed as Free Samples	1.22	0.53	0.41

R/Off Expenses	-	0.55	15.20
VAT Expenses	-	-	-
Labour Charges	5.08	13.75	-
Social Security	12.11	13.19	2.92
<b>Total</b>	<b>345.01</b>	<b>466.57</b>	<b>320.79</b>

**ANNEXURE- XXVIII**  
**DETAILS OF CONSOLIDATED OTHER INCOME AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the Year Ended March 31		
	2019	2018	2017
Other income	21.03	19.64	4.86
Net Profit Before Tax as Restated	419.42	375.66	80.97
<b>Percentage</b>	<b>5.02%</b>	<b>5.23%</b>	<b>6.00%</b>
<b>Source of Income</b>			
Royalty Fees	-	1.77	-
Difference in Exchange Rate	6.89	11.23	-
Interest Income	-	2.81	0.01
Commission Income	9.75	1.53	3.31
Provision written-back	4.05	2.30	1.26
Miscellaneous Income	0.35	-	0.27
<b>Total Other Income</b>	<b>21.03</b>	<b>19.64</b>	<b>4.86</b>

**ANNEXURE- XXIX**  
**DETAILS OF CONSOLIDATED CONTINGENT LIABILITY AS RESTATED**

*(Amount in Rs. in Lacs)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Contingent Liability	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**ANNEXURE – XXX**  
**DETAILS OF CONSOLIDATED RELATED PARTY TRANSACTIONS AS RESTATED**

**4. List of Related Parties**

As per Accounting Standard 18 on related party disclosure issued by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

**F. Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise:**

Sr. No.	March 31, 2019	March 31, 2018	March 31, 2017
<b>1</b>	Citi Exim Pvt Ltd.	Citi Exim Pvt Ltd.	Citi Exim Pvt Ltd.

**G. Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture:**

Sr. No.	March 31, 2019	March 31, 2018	March 31, 2017
1	-	-	-

**H. Key Managerial Personal (KMP) and Relatives of KMP**

March 31, 2019	March 31, 2018	March 31, 2017
Manoj Kumar Choukhany	Manoj Kumar Choukhany	Manoj Kumar Choukhany
Manish Kumar Nagori	Manish Kumar Nagori	Manish Kumar Nagori
Mrs. Sonam Choukhany	Mrs. Sonam Choukhany	Mrs. Sonam Choukhany
Mrs. Pooja Nagori	Mrs. Pooja Nagori	Mrs. Pooja Nagori
Mrs. Riya Choukhany	Mrs. Riya Choukhany	Mrs. Riya Choukhany

**I. Enterprises over which any person described in (C) or (D) is able to exercise significant influence:**

*(This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise)*

March 31, 2019	March 31, 2018	March 31, 2017
-	-	-

**J. Additional Related parties as per Companies Act, 2013:**

March 31, 2019	March 31, 2018	March 31, 2017
-	-	-

**5. Details of transaction with related parties**

Name	Relationship	Nature of Transaction	Amount of transaction in 2018-2019	Amount of transaction in 2017-2018	Amount of transaction in 2016-2017
Manojkumar Choukhany	Key Management Personnel (KMP)	Managerial Remuneration	15.00	15.00	15.00
		Interest Paid	-	-	-
		Loan Due To	-	-	-
Manishkumar Nagori	Key Management Personnel (KMP)	Managerial Remuneration	9.84	9.84	9.84
		Interest Paid	-	-	-
		Loan Due To	-	-	-
Mrs. Sonam Choukhany	Relative	Salary	9.00	9.00	9.00
		Interest Paid	-	-	-
		Loan Due To	-	-	-

Mrs. Pooja Nagori	Relative	Salary	8.16	8.16	8.16
		Interest Paid	-	-	-
		Loan Due To	-	-	-
Ms. Riya Choukhany	Relative	Salary	3.00	3.00	3.00
		Interest Paid	-	-	-
		Loan Due To	-	-	-
Citi Exim Pvt. Ltd.	Associate Concern	Interest Paid			
		Loan given to	58.49	-	-
		Loan Due To	-	-	-

**6. Details of balance outstanding at the end of the year**

Name	Relationship	Nature of Transaction	Amount O/s as on 31/03/2019 (Payable)/ Receivable	Amount O/s as on 31/03/2018 (Payable)/ Receivable	Amount O/s as on 31/03/2017 (Payable)/ Receivable
Citi Exim Pvt. Ltd.	Associate Concern	Loan given	58.49	-	-
		Interest	-	-	-
		Loan taken	-	-	-



## OTHER FINANCIAL INFORMATION

### RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

*(Amount in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31,		
	2019	2018	2017
Restated PAT as per P& L Account	344.92	309.37	63.32
Restated Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)	700.45	573.02	259.78
Weighted Average Number of Equity Shares at the end of the Year/Period	678,600	678,600	678,600
Number of Equity Shares outstanding at the end of the Year/Period	678,600	678,600	678,600
Net Worth	797.85	437.66	202.03
<b>Earnings Per Share</b>			
Basic/Diluted	50.83	45.59	9.33
<b>Return on Net Worth (%)</b>	<b>43.23%</b>	<b>70.69%</b>	<b>31.34%</b>
<b>Net Asset Value Per Share (Rs)</b>	<b>117.57</b>	<b>64.49</b>	<b>29.77</b>
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00

Formulas used for calculating above ratios are as under:

- i. Basic EPS is being calculated by using the formula: (Restated Net Profit after Tax available to Equity Shareholders/ Weighted Average No. of Equity shares at the end of the year/ period).
- ii. Return on Net worth (%) is being calculated by using the formula: (Restated Profit After Tax available to Equity Shareholders/ Restated Net Worth of Equity Shareholders)\*100
- iii. Net Asset Value is being calculated by using the formula: (Restated Net Worth/ Number of Equity Shares outstanding at end of the year period).

### STATEMENT OF FINANCIAL INDEBTEDNESS

Our Company and its Subsidiary avail loans in the ordinary course of business for the purpose of capital expenditure and working capital. The following table sets forth details of the aggregate outstanding borrowings of our Company and its Subsidiary on a consolidated basis as on March 31, 2019:

#### SECURED BORROWINGS:

#### Consolidated Statement Of Principal Terms Of Secured Loans And Assets Charged As Security:

*(Amount in Rs. in Lakhs)*

Name of bank/Financial Institute	Sanctioned Amount	Rate of Interest	Repayment Schedule	Security Details	Loan Date	Outstanding as on March 31, 2019
Axis bank Ltd.	995.00	9.70%	On Demand	<b>Ware House</b> 1) A/44, Changodar Industrial Estate, Changodar, Ta. : Sanand, Dist : Ahmedabad & <b>Residence :</b> 2) B/501, Palak Crystal, Ramdevnagar Cross Raod, Satellite, Ahmedabad	18.06.2018	992.14
BMW India Financial Service Pvt Ltd-1	36.00	9.75%	48 Months	BMW 320d Car	28.09.2018	34.18
BMW India Financial Service Pvt Ltd.-2	38.40	9.75%	48 Months	BMW 320d Car	29.09.2018	36.32
HDFC Bank - Brezza car	9.75		60 Months	Brezza Car	28.03.2018	8.27
ICICI Bank Ltd.	8.40	9.51%	36 Months	Honda Jazz	25.07.2016	1.02

#### Key covenants in respect of loan availed from Axis Bank is as follows:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

- The Borrower should undertake that financial statements and financial projections have been given to all lenders.
- The borrower will maintain its net working capital position equal to or above the levels furnished in its projections for working capital finance.
- Book debts arising on accounts of bills drawn on sister/associate concern will not be financed.
- The borrower should undertake not to divert working capital funds for long term purposes.
- Keep the bank informed of happening of any event which is likely to have an impact on their profit or business.
- The borrower to submit annual net worth statement of personal guarantors to Bank and Borrower shall not hold the bank liable in any manner for use of such information.

**UNSECURED BORROWINGS:**
*(Amount in Rs. in Lacs)*

<b>Name of bank/Financial Institute</b>	<b>Outstanding as on March 31, 2019</b>
Aditya Birla Finance Ltd	19.29
Bajaj Finance Ltd.	13.45
Capital First Ltd.	36.30
Capital First Ltd.	19.56
Capital Flot Finance Pvt. Ltd.	9.16
Digikredit Finance Pvt Ltd.	17.26
ECL Finance Ltd.	41.19
Fullerton India Credit Company Ltd.	15.88
ICICI Bank Ltd.(unsecured)	14.26
IFMR	36.64
India Infoline Finance Ltd.	33.30
IndusInd Bank	45.66
IVL Finance Ltd	28.20
Kotak Mahindra Bank (BL)	29.98
Magma Finserve Ltd	26.64
Oxyzo Financial Services Pvt.Ltd.	101.44
Pinnacle Capital Solutions P Ltd.	25.55
Ratnakar Bank Ltd.	36.61
Shriram City Union Finance Ltd.	36.24
Tata Capital Financial Services Ltd	42.87
United Petro Finance Ltd.	34.84
Camex Reality Pvt Ltd.	252.68
Kanhaiya Mercantile Pvt Ltd.	42.03
Nikkie Stock Brokering Pvt Ltd.	15.00
Manojkumar Choukhany	1.25

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial position and results of operations together with our Restated Consolidated Financial Statements which have been included in this Red Herring Prospectus. The following discussion and analysis of our financial position and results of operations is based on our Restated Consolidated Financial Statements for the financial year ended March 31, 2019, 2018 and 2017 including the related notes and reports, included in this Red Herring Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years. Accordingly, the degree to which our Restated Consolidated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion and analysis contains forward-looking statements and reflects our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our Actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 21 and 15, respectively, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. This section also includes industry data, which has been derived and sourced from the report titled "Indian Luggage Industry- April, 2018" as prepared by Dun & Bradstreet, which was commissioned by our Company.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ending March 31 of each year.*

### **Overview**

Our Company was originally incorporated at Ahmedabad, Gujarat in the year 1989. Our Company is engaged in the business of import and supply of Luggage and travel gear accessories and corporate gifting items. We have been sourcing luggage products for sales in domestic and overseas markets since the year 2007-08. We source our luggage products from our supplier based in China which enables our Company to adhere to the required specifications and stipulated quality standards for our products. We also provide diverse business model and product portfolio in a luggage and travel gear accessories products in the overseas markets. We have one of the biggest stock-supported range of Hard Luggage, Soft Luggage and other travel related accessories.

Our Company was incorporated by Ashvinkumar M. Kalaria and Chandraprakash B. Chopra. The company dealt in dyes and chemicals. Thereafter in the year 2002, our Promoter Mr. Manoj Choukhany joined the board with the intention to collaborate with Camex group and starting with promotional and gift items with the target consumer as corporate/institutions. In the year 2007, the primary focus was shifted to introducing the 'Goblin' brand in luggage and other traveling accessories. Under the leadership of our Promoter, Mr. Manojkumar Choukhany, the Company has witnessed sustained growth over the years.

For further details on our business, see "Our Business" on page 87 of this Red Herring Prospectus.

### **Statement of Significant Accounting policies**

#### **N) Basis Of Preparation Of Financial Statement**

The Consolidated Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2019, March 31, 2018 and March 31, 2017 and the Consolidated Restated Summary Statement of Profit and Loss and Consolidated Restated Summary Statements of Cash Flows for the same period mentioned above and the annexure thereto (collectively, the "Consolidated Restated Financial Statements" or "Consolidated Restated Summary Statements") have been extracted by the management from the Financial Statements of the Company for the year ended on March 31, 2019, March 31, 2018 and March 31, 2017.

**O) Use Of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make assumptions, critical judgments and estimates, which it believes are reasonable under the circumstances that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

**P) Revenue Recognition**

- d) Revenue is recognized when the significant risks and rewards of ownership of goods are transferred to the customer. Sales are net of discounts, sales tax, value added tax and estimated returns.
- e) Income from services is recognized when the services are rendered or when contracted milestones have been achieved.
- f) Revenue from arrangements which includes performance of obligations is recognized in the period in which related performance obligations are completed.

**Q) Property, Plant And Equipment**

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable cost of bringing the asset to working condition for intended use. Property, Plant and Equipment are re-arranged and re-grouped according to the Company Act, 2013.

**R) Depreciation And Amortization**

Depreciation on fixed assets for the year ended March 31, 2017, 2018 and 2019 is provided as per WDV method based on the useful life of various assets, as specified in Schedule II of the Companies Act, 2013.

**S) Borrowing Cost**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

**T) Valuation Of Inventories**

Inventories are valued at the lower of cost and net realizable value. Provision for impairment is made when there is high uncertainty in sale ability of an item. Costs incurred in bringing inventories to its existing location and condition is added to the cost of inventories.

**U) Employee Benefits**

Short-term employee benefits like salaries, wages, and bonus and welfare expenses payable wholly within twelve months of rendering the services are accrued in the year in which the associated services are rendered by the employees.

**V) Taxation**

- a) Current tax is accounted on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred tax resulting from “timing differences” between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantively enacted as at the balance sheet

date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Net deferred tax liabilities are arrived at after setting off deferred tax assets.

#### **W) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **X) Provision And Contingent Liabilities And Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefits is remote. A contingent asset is neither recognized nor disclosed in the financial statements.

#### **Y) Current Assets, Loans And Advances**

The balance under items of Sundry Debtors, Loans and Advances and current liabilities are subject to confirmation and reconciliation and consequential adjustments, wherever applicable. However, in the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

#### **Z) Cash Flow**

The cash flow statement is prepared under the "Indirect Method" as set out in AS - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

#### **Changes in Accounting Policies in the Periods/Years Covered In The Restated Financials**

There is no change in significant accounting policies adopted by the Company.

#### **Significant Developments Subsequent to the Last Financial Period**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Red Herring Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

- The Board of Director in its meeting held on June 24, 2019 allotted 46,27,616 Bonus shares in the ratio of 16 bonus Equity shares for every 10 (Ten) Equity Shares held by each shareholder.
- The Board of Director in its meeting held on June 14, 2019 allotted 1,10,000 equity shares on preferential basis which was approved in Extra Ordinary General Meeting held on May 18, 2019.
- The Board of Director in its meeting held on June 06, 2019 allotted 21,03,660 Bonus shares in the ratio of 31 bonus Equity shares for every 10 (Ten) Equity Shares held by each shareholder.

- Mr. Manojkumar Choukhany was re-designated as Chairman and Managing Director of the Company for a term of 3 year with effect from April 05, 2019 by board in its meeting held on April 05, 2019 and confirmed by shareholders vide Extra Ordinary General Meeting held on May 18, 2019.
- Mrs. Sonam Choukhany was appointed as Additional Non executive Director on March 04, 2019 and Further regularized as Whole Time Director a term of 3 year with effect from April 05, 2019 by shareholders vide Extra Ordinary General Meeting held on May 18, 2019.
- Mr. Manmohan Dixit and Mr. Manoj Soni were appointed as Additional Independent Director by Board in its meeting held on April 05, 2019 and further regularized as Independent Director by shareholders vide Extra Ordinary General Meeting held on May 18, 2019 for the period of 5 years form the date of appointment.
- Mr. Manishkumar Indramal Nagori resigned from the post of directorship with effect from April 05, 2019 due to some other pre-occupation and was appointed as a Chief Financial Officer of the Company with effect from April 05, 2019.
- We have appointed Ms. Nikita Suyani as a Company Secretary and Compliance Office of the Company with effect from April 05, 2019.
- Mr. Kalpesh Devendra Chopra resigned from the post of directorship with effect from March 04, 2019 due to some other pre-occupation.
- We have passed a special resolution in the meeting of shareholders dated June 15, 2019 authorizing the Board of Directors to raise funds by making an Initial Public Offering.

### **Factors affecting our result of operations**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 21 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- We derive our major revenue from Corporate Clients through trading of Luggage Bags and other Travel gear accessories and do not manufacture any products we sell. We are exposed to the risk of our service providers and vendors failing to adhere to the standards set for them by us and statutory bodies in respect of quality, quantum of production, safety and distribution which in turn could adversely affect our net sales and revenues.
- Our Company faces Competition in the Industry from varied peers as our competitors may set up stores in the vicinity of our existing stores and may offer their products at competitive prices, resulting in a decreasing of sales of our goods.
- We may be exposed to Currency Fluctuations due to import and supply of our products which may adversely affect our business, financial condition, results of operations and prospects.
- Our excessive dependence on our supplier in China to whom we have outsourced the manufacturing of our goods such as Hard luggage, soft luggage etc and our financial condition would be materially and adversely affected if we fail to procure the product.
- We have significant working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our business, financial condition, results of operations and prospects.



- Company's ability to successfully implement growth strategy.
- Any adverse change in government policies or focus.

### Our Result of Operations

The following discussion on results of operations should be read in conjunction with the restated consolidated financial statements for the financial years ended March 2019, March 2018 and March 2017.

(In Rs. Lakhs)

Particulars	For the year ended March 31					
	2019	As % of total revenue	2018	As % of total revenue	2017	As % of total revenue
<b>Revenue:</b>						
Revenue From Operations	6,827.62	99.69	6,074.05	99.68	5,239.12	99.90
Other Income	21.03	0.31	19.64	0.32	4.86	0.09
<b>Total Revenue</b>	<b>6,848.65</b>	<b>100</b>	<b>6,093.69</b>	<b>100</b>	<b>5,243.98</b>	<b>100</b>
<b>Expenses:</b>						
Cost of Material Consumed	-	-	3.01	0.05	2.11	0.04
Purchase of Stock in Trade	6,092.03	88.95	5,266.59	86.43	4,305.41	82.10
Changes in Inventories of stock-in-Trade	(509.00)	(7.43)	(427.31)	(7.01)	186.90	3.56
Employee benefit expenses	220.16	3.21	211.81	3.48	168.98	3.22
Financial Cost	251.32	3.67	179.02	2.94	161.19	3.07
Depreciation and amortization expenses	29.72	0.43	18.33	0.30	17.63	0.34
Others Expenses	345.01	5.04	466.57	7.66	320.79	6.12
<b>Total Expenses</b>	<b>6,429.23</b>	<b>93.88</b>	<b>5,718.03</b>	<b>93.84</b>	<b>5,163.01</b>	<b>98.46</b>
<b>Profit before exceptional ,extraordinary items and tax</b>	<b>419.42</b>	<b>6.12</b>	<b>375.66</b>	<b>6.16</b>	<b>80.97</b>	<b>1.54</b>
Exceptional Items	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>419.42</b>	<b>6.12</b>	<b>375.66</b>	<b>6.16</b>	<b>80.97</b>	<b>1.54</b>
Extraordinary Items	-	-	-	-	-	-
<b>Profit before Tax</b>	<b>419.42</b>	<b>6.12</b>	<b>375.66</b>	<b>6.16</b>	<b>80.97</b>	<b>1.54</b>
Tax Expense:						
Current Tax	(78.24)	(1.14)	(65.23)	(1.07)	(17.20)	(0.33)
Deferred Tax	3.74	0.05	(1.07)	(0.02)	(0.45)	(0.01)
<b>Profit for the year/ Period</b>	<b>344.92</b>	<b>5.04</b>	<b>309.37</b>	<b>5.08</b>	<b>63.32</b>	<b>1.21</b>

### Main Components of Our Profit and Loss Account:

#### Revenue from Operations:

Our principal source of Income is from trading and assembling of goods excluding our sales return.

***Other Income:***

Our other income comprises of fixed deposit interest, sale of fixed assets, commission and other miscellaneous income.

***Employee benefits expense:***

Our employee benefits expense comprises of Salary and wages, Contribution to PF & Other funds and Staff Welfare Expenses.

***Finance Costs:***

Our finance cost includes Interest Expenses and Bank charges.

***Depreciation and Amortization Expenses:***

Depreciation includes depreciation on tangible assets like plant and machinery, furniture and computer.

***Other Expenses:***

Other expenses primarily include travelling and Conveyance, Rent, Taxes, Insurance, Bank Charges, Sales commission, Loading and unloading charges, quality control charges, legal and professional fees, advertisement expenses, goods distributed as free samples, labour charges, godown charges.

**Discussions on the Result of Operations:**

**FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED MARCH 31, 2019**

***Revenue from operations***

The revenue from operations during the period ended March 31, 2019 was Rs.6848.65 Lakhs. The revenue from operations comprises of sale of Luggage Bags and Travel Gear Accessories.

***Total Expenses***

The total expenditure during period ended March 31, 2019 was Rs.6429.23 Lakhs. The total expenditure represents 93.87% of the total revenue. The total expenses are represented by Purchase of stock in trade, employee benefits expense, finance costs, depreciation and amortization expenses and Other Expenses.

***Profit/ (Loss) after Tax***

The restated net profit during the period ended March 31, 2019 was Rs.344.92 Lakhs representing 5.04% of the total revenue of our company.

**FINANCIAL YEAR 2018-19 COMPARED WITH FINANCIAL YEAR 2017-18**

***Total Revenue:***

***Revenue from Operations***

During the financial year 2018-19, the net revenue from operation of our Company increased to Rs.6827.62 Lakhs from Rs. 6074.05 Lakhs in the Financial Year 2017-18 representing an increase of 12.40%. This Increase was majorly due to increase in sale of our traded goods as compared to Financial Year 2017-18.

*Other Income:*

During the financial year 2018-19, the other income of our Company increased to Rs.21.03 Lakhs as against Rs.19.64 Lakhs in the Financial Year 2017-18 representing an increase of 7.07%. Such increase was primarily due to increased commission income and other miscellaneous income.

***Total Expenses:***

The Total Expenditure for the financial year 2018-19 increased to Rs.6429.23 Lakhs from Rs.5718.03 Lakhs in the previous financial year 2017-18 representing an increase of 12.43%.

*Employee benefits expense:*

Our Company has incurred Rs.220.16 Lakhs as Employee benefits expense during the financial year 2018-19 as compared to Rs.211.81 Lakhs in the financial year 2017-18 resulting in a decrease of 3.94%.

*Finance costs:*

These costs were for the financial Year 2018-19 increased to Rs.251.32 Lakhs as against Rs.179.02 Lakhs during the previous financial year. The increase of 40.38 % as compared to previous financial year was due to increase in total amount of borrowings.

*Depreciation and Amortization Expenses:*

Depreciation for the financial year 2018-19 stood at Rs.29.72 Lakhs as against Rs.18.33 Lakhs during the previous financial year. The increase of 62.14 % was due to the purchase of furniture, Motor vehicles and Computers, thus in succeeding year depreciation was increased.

*Other Expenses:*

Our Company has incurred Rs.345.01 Lakhs during the Financial Year 2018-19 on other expenses as against Rs.466.57 Lakhs during the financial year 2017-18. The decrease of 26.05% was due to normal course of business.

***Profit before tax:***

The Company reported profit before tax for the Financial Year 2018-19 of Rs.419.42 Lakhs in comparison to Restated profit of Rs.375.66 Lakhs in financial year 2017-18 representing an increase of 11.65%.

***Profit after tax:***

Profit after tax for the Financial Year 2018-19 increased to Rs.344.92 lakhs as compared to Rs.309.37 Lakhs financial year 2017-18. The increase in profit after tax by 11.49% was majorly due to factors mentioned above.

**FINANCIAL YEAR 2017-18 COMPARED WITH FINANCIAL YEAR 2016-17**

***Total Revenue:***

*Revenue from Operations*

During the financial year 2017-2018, the net revenue from operation of our Company increased to Rs.6074.05 Lakhs from Rs. 5239.12 Lakhs in the Financial Year 2016-2017 representing an increase of 15.94%. This Increase

was majorly due increase in sale of our traded goods and sales return were less as compared to Financial Year 2016-17.

*Other Income:*

During the financial year 2017-2018, the other income of our Company increased to Rs.19.64 Lakhs as against Rs.4.86 Lakhs in the Financial Year 2016-2017 representing an increase of 304.11%. Such increase was primarily due to interest earned on fixed deposit account and other miscellaneous income.

**Total Expenses:**

The Total Expenditure for the financial year 2017-2018 increased to Rs.5718.03 Lakhs from Rs.5163.01 Lakhs in the previous financial year 2016-17 representing an increase of 10.75%.

*Employee benefits expense:*

Our Company has incurred Rs.211.81 Lakhs as Employee benefits expense during the financial year 2017-2018 as compared to Rs.168.98 Lakhs in the financial year 2016-2017. The Increase of 25.34% was due to increase in employee count.

*Finance costs:*

These costs were for the financial Year 2017-2018 increased to Rs.179.02 Lakhs as against Rs.161.19 Lakhs during the previous financial year. The increase of 11.06 % as compared to previous financial year was due to increase in Loan account.

*Depreciation and Amortization Expenses:*

Depreciation for the financial year 2017-2018 stood at Rs.18.33 Lakhs as against Rs.17.63 Lakhs during the previous financial year. The increase of 3.96 % was due to the purchase of furniture, Motor vehicles and Computers, thus in succeeding year depreciation was increased.

*Other Expenses:*

Our Company has incurred Rs.466.57 Lakhs during the Financial Year 2017-2018 on other expenses as against Rs.320.79 Lakhs during the financial year 2016-2017. The increase of 45.44% was due to normal course of business.

**Profit before tax:**

The Company reported profit before tax for the Financial Year 2017-2018 of Rs.375.66 Lakhs in comparison to Restated profit of Rs.80.97 Lakhs in financial year 2016-2017 representing an increase of 363.95%.

**Profit after tax:**

Profit after tax for the Financial Year 2017-2018 increased to Rs.309.37 lakhs as compared to Rs.63.32 Lakhs financial year 2016-2017. The increase in profit after tax by 388.58% was majorly due to factors mentioned above.

**Other Matters**

**1. Unusual or infrequent events or transactions**

Except as described in this Red Herring 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 "Risk Factors" beginning on page 21 of this Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Other than as disclosed in the "Risk Factors" beginning on page 21 of this Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**4. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by economic activity, government policies and Indian luggage industry.

**5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.**

The increase in revenue is by and large linked to satisfaction of consumer needs through new innovation and design in product and increase in volume of business activity by the Company .

**6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in trading in Luggage Industry, Relevant industry data, as available, has been included in the section titled "Industry Overview" beginning on page 77 of this Red Herring Prospectus.

**7. Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new business segments, other than disclosed in this Red Herring 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.**

Our Company is engaged in the trading business of luggage bags and travel gear accessories. As on date of Red Herring Prospectus, we do not have our own manufacturing facility and dependent on suppliers for procuring the finished goods. However, our Company shall set up its own manufacturing unit of ABS Luggage bags being part of the Object of Issue. Further, we derive and may continue to derive a significant portion of our revenue from a relatively limited number of clients.

**10. Competitive Conditions**

Our Company faces competition from players in the global market as well as domestic market and from organized and unorganized players. We expect competition to intensify due to possible changes in government policies and foreign exchange rate fluctuations. This we believe may impact our financial condition and operations.

**CAPITALISATION STATEMENT**

**RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION**

*(Amounts in Rs. lakhs, unless otherwise stated)*

<b>Particulars</b>	<b>Pre-Issue (as at March 31, 2019)</b>	<b>Post Issue</b>
<b>Borrowings</b>		
Short term debt (A)	1,301.86	1,301.86
Long Term Debt (B)	1,013.38	1,013.38
<b>Total debts (C)</b>	<b>2,315.24</b>	<b>2,315.24</b>
<b>Shareholders' funds</b>		
Equity share capital	67.86	
Reserve and surplus - as restated	729.99	[•]
<b>Total shareholders' funds</b>	<b>797.85</b>	[•]
<b>Long term debt / shareholders funds</b>	1.66	[•]
<b>Total debt / shareholders funds</b>	2.90	[•]

## **SECTION X: LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except, as stated in this section and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Entities or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Entities.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on May 24, 2019 determined that outstanding dues to creditors in excess of 5% of the Company's consolidated trade payable as per last audited financial statements shall be considered as material dues ("Material Dues").

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Entities, would be considered 'material' for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 5% of consolidated profit after tax of the Company, as per the last audited financial statement as determined by our Board, in its meeting held on May 24, 2019.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Entities which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to the contrary, the information provided is as of the date of this Red Herring Prospectus.

### **CONTINGENT LIABILITIES OF OUR COMPANY**

Nil

### **LITIGATIONS INVOLVING OUR COMPANY**

#### **LITIGATIONS AGAINST OUR COMPANY**

##### **Criminal Litigations**

Nil



**Civil Proceedings**

Nil

**Taxation Matters**

**Direct Tax**

Nil

**Proceedings/actions taken against Our Company for economic offence/ Securities laws/ or any other law**

Nil

**Disciplinary Actions taken by SEBI or stock exchanges against Our Company in last five financial years**

Nil

**Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

**Details of material frauds against the Company in last five years and action taken by the Companies**

Nil

**LITIGATIONS FILED BY OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY**

**LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Past Penalties imposed on our Directors**

Nil

**Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

**Directors on list of willful defaulters of RBI**

Nil

**Proceedings initiated against our Directors for Fugitive Economic Offence under Fugitive Economic Offender Act, 2018**

Nil

**LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**

**LITIGATIONS AGAINST OUR PROMOTER/S**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Past Penalties imposed on our Promoters**

Nil

**Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**Proceedings initiated against our Promoters for Fugitive Economic Offence under Fugitive Economic Offender Act, 2018**

Nil

**LITIGATIONS FILED BY OUR PROMOTER/S****Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**LITIGATIONS INVOLVING OUR GROUP ENTITES****LITIGATIONS AGAINST OUR GROUP ENTITIES****Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Past Penalties imposed on our Group Companies**

Nil

**Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies**

Nil

**Adverse finding against Group Companies for violation of Securities laws or any other laws**

Nil

**LITIGATIONS FILED BY OUR GROUP COMPANIES**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Past Penalties imposed on our Subsidiary**

Nil

**Proceedings initiated against our Subsidiary for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Subsidiary**

Nil

**Adverse finding against Subsidiary for violation of Securities laws or any other laws**

Nil

**LITIGATIONS BY OUR SUBSIDIARY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the section “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*” on page 156 of this Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**OUTSTANDING DUES TO MICRO, SMALL & MEDIUM ENTERPRISES OR ANY OTHER CREDITORS**

As on March 31, 2019, our Company has 6 material creditors who exceed 5% of the Company’s consolidated trade payables for the last audited financial statement as per the Company’s materiality policy dated May 24, 2019 and the aggregate amount due to such material creditors is Rs. 459.47 Lakhs.

Below are the details of the Creditors where outstanding amounts as on March 31, 2019:

S. No.	Particular	Balance as on March 31, 2019 (Amount in Rs.)
1.	Total Outstanding dues to Micro, Small & Medium Enterprises	Nil
2.	Total Outstanding dues to creditors other than Micro, Small & Medium Enterprises	Nil
	Total	Nil

For complete details about the outstanding dues to the creditors of our Company, please see website of our Company website <http://www.goblinindia.com>.

## **GOVERNMENT AND OTHER APPROVALS**

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. Further our Material subsidiary Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on its business activities. For further details in connection with the applicable regulatory and legal framework, please refer to the section titled “*Key Regulations and Policies*” on page 99 of this Red Herring Prospectus.

The Company has its business located at:

- **Registered Office and Corporate Office:** 1<sup>st</sup>Floor, Camex House, Commerce Road, Navrangpura, Ahmedabad, Gujarat- 380009 India.
- **Additional Place of Business:**
  1. A 44, Changodar Estate, Changodar, Sanand, Ahmedabad, Gujarat, 382110
  2. 6, Dev Complex, Parimal Cross Road, Panchwati, Ahmedabad, Gujarat, 380009.
  3. Building No. A-6, Glal no.7 Pritesh Complex, Valpada, Anjur Dapoda Road, Bhiwandi - 421 302 .
  4. Unit No. 632, IJMIMA – Intimation Jewellery Market CSL, Off Link Road, Malad (West), Mumbai-400064.

Further, except as mentioned herein below, our Company has not yet applied for any licenses for the proposed activities as contained in the section titled “*Object of the Issue*” beginning on page no. 64 of this Red Herring Prospectus to the extent that such licenses/approvals may be required for the same.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **I. APPROVALS FOR THE ISSUE**

#### **Corporate Approvals**

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board of Directors have pursuant to a resolution passed at its meeting held on May 24, 2019 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.
- b. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of shareholders held on June 15, 2019.

#### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated September 03, 2019 bearing reference no.LO/SME IPO/CS/IP/202/2019-20.

### Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated February 15, 2018 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated February 14, 2018 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE492Z01018.

### **Lender Consent**

Our Company has received NOC from Axis Bank Limited dated July 30, 2018 vide letter no. AXISB/CBB-AHM/2018-19/1925 for Initial Public Offer.

## **II. APPROVALS OBTAINED BY OUR COMPANY & MATERIAL SUBSIDIARY COMPANY**

S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APP ROVAL	VALIDITY
<b>INCORPORATION AND RELATED APPROVALS</b>					
1.	Certificate of Incorporation in the name of “Kal-Chop Export Private Limited”	04-12165 of 1989-90	Registrar of Companies, Ahmedabad, Gujarat	April 26, 1989	One Time registration
2.	Fresh Certificate of Incorporation consequent upon change of name of our Company from “Kal-Chop Export Private Limited” to “Camex Auxi-Chem Private Limited”	12165	Registrar of Companies, Ahmedabad, Gujarat	December 15, 1989	One Time registration
3.	Fresh Certificate of Incorporation consequent upon change of name of our Company from “Camex Auxi-Chem Private Limited” to “Camex Tradelink Private Limited”	04-12165	Registrar of Companies, Ahmedabad, Gujarat	April 18, 2002	One Time registration
4.	Fresh Certificate of Incorporation consequent upon change of name of our Company from “Camex Tradelink Private limited” to “Camex Tradelink Limited”	U51100GJ1989PL C012165	Registrar of Companies, Ahmedabad, Gujarat	April 8, 2010	One Time registration
5.	Certificate of Incorporation pursuant to change of name from “Camex Tradelink Limited” to “Goblin India Limited”.	U51100GJ1989PL C012165	Registrar of Companies, Ahmedabad, Gujarat	August 24, 2015	One Time registration
<b>TAX RELATED APPROVALS</b>					
6.	Permanent Account Number (“PAN”)	AAACC7794C	Income Tax Department	April 26, 1989	One Time registration
7.	Tax Deduction Account Number (“TAN”)	AHMC00199D	Income Tax Department	October 09, 2015	One Time registration



S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL	VALIDITY
8.	Registration Certificate of Goods & Service Tax ("GST")	24AAACC7794C2 ZQ	Central Board of Excise and Customs	Date of Issue of Certificate- September 23, 2017 With effect from- July 01, 2017	One Time registration
9.	Professional Tax Registration Certificate ("PTRC") under the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976	PRC015170371	Assistant Manager (West Zone), Professional Tax Department	March 13, 2018	One Time registration
10.	Professional Tax Enrolment Certificate ("PTEC") under the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976	PEC015171309	Assistant Manager (West Zone), Professional Tax Department	March 13, 2018	One Time registration
<b>BUSINESS RELATED APPROVALS</b>					
11.	Certificate of Registration under Bombay Shop and Establishment Act, 1948	PII/SPST/2900024/ 0209639	Deputy Municipal Commissioner	May 13, 1989	December 31, 2022
12.	Certificate of Importer- Exporter Code ("IEC")	0891010441	Assistant Director General of Foreign Trade, Ministry of Commerce, Government of India	IEC Allotment Date - May 18, 1992	One Time Registration
<b>LABOUR RELATED APPROVAL/REGISTRATIONS</b>					
13.	Registration under the Employees Provident Funds and Miscellaneous Provisions Act, 1952	GJ/PFC/AHD/5232 8/ENF/540	Regional Provident Fund Commissioner, Regional Office, Ahmedabad, Ministry of Labour, Government of India	April 1, 2006	One Time Registration
14.	Registration under Employees' State Insurance Act, 1948	Code no- 3700102824000100 2	Assistant/ Deputy Director, Sub- Regional Office, Employee's State Insurance Corporation.	January 03, 2012	One Time registration

### III. CERTIFICATES

S NO.	NATURE OF LICENSE/APPROVAL	REGISTRATION/LICENSE/CERTIFICATE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL/CERTIFICATE	VALIDITY
	Certificate of Registration <b>ISO: 9001:2015</b>	Certificate No.-EC/ Q-1030 EAC Code : 29 Certified that the Quality Management System of Site: A-44, Changodar Industrial Estate, Changodar, Ahmedabad, Gujarat, has assessed and registered by Euro Certificate against the scope of supply and provision of <b>ISO: 9001:2015</b> Scope: Business of Luggage Bags and Promotional/ Gift Items.	President, ASCB (Europe) Limited-United Kingdom	January 06, 2018	January 05, 2021

### IV. APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY RIGHTS:

S. No.	Trademark	Logo	Registration/ Application No.	Class	Registration/ Application Date	Status/ Validity
1.	Trademark		3767959	18	Application Date: March 1, 2018 Valid Upto: March 1, 2028	Registered
2.	Trademark		1303334	18	Application Date: August 1, 2004 Valid Upto: August 18, 2024	Registered

### V. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY IS:

S. No.	Domain Name and ID	Registrar IANA ID	Creation Date	Registration Expiry Date
1.	Domain Name: GOBLININDIA.COM  Domain ID: 92129439_DOMAIN_COM-VRSN	48	November 12, 2002	November 12, 2019

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

### VI. PENDING APPROVALS:

NIL

**SECTION XI: INFORMATION WITH RESPECT TO GROUP COMPANIES**

In accordance with the provisions of the SEBI ICDR Regulations, for the purpose of identification of "Group Companies", our Company has considered such companies as our Group Companies, with which there were related party transactions, during the period for which financial information is disclosed in this Red Herring Prospectus, covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Further, pursuant to a resolution of our Board dated May 24, 2019 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfills both the below mentioned conditions:- (i) Such company forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulation, 2018; and (ii) Our Company has entered into one or more transactions with such company in preceding audited fiscal year/period as the case may be as per Restated Financial Statements.

Further, Companies which have not been disclosed as related parties in the restated consolidated financial statements of our company for the last three financial years or which are no longer associated with our Company have not been disclosed as Group Companies. For the avoidance of doubt and pursuant to Regulation 2 (1) (t) of SEBI ICDR Regulations, 2018, it is clarified that our Subsidiary will not be considered as Group Company.

Based on above, Citi Exim Private Limited is our Group Company.

**CONFIRMATIONS**

Unless otherwise specifically stated in this section, none of the Group Companies (i) are listed on any stock exchange in India or abroad; (ii) have completed any public or rights issue in the preceding three years; (iii) have become a sick company within the meaning of the erstwhile SICA; (iv) are under winding up; (v) have become defunct; (vi) have made an application to the relevant registrar of companies in India in whose jurisdiction such Group Company is registered in the five years preceding the date of filing this Red Herring Prospectus with Stock Exchange and SEBI, for striking off its name; (vii) have received any significant notes from the auditors; (viii) had a negative net worth as of the date of their last audited financial statements, or (ix) have any pending litigation which has material impact on our Company.

**OUR GROUP COMPANIES**

The details of our Group Companies are provided below:

**1. Citi Exim Private Limited**

**Corporate Information**

Citi Exim Private Limited (“CEPL”) is a private company, incorporated on May 09, 2009 under the provisions of Companies Act, 1956. It has its registered office situated at 1st floor, Camex House, Stadium Commerce Road, Navrangpura Ahmedabad-380009 Gujarat, India. The Corporate Identification Number of CEPL is U51909GJ2009PTC056886. The Current paid up Capital of CEPL is Rs. 1 Lakh.

Boards of Directors as on date of this Red Herring Prospectus are:

Sr. No.	Name	DIN
1.	Manishkumar Indramal Nagori	<a href="#">01678120</a>
2.	Manojkumar Choukhany	<a href="#">02313049</a>

**Main Objects of the Company:**

To carry on the business as exporter, importer, traders, buyers, sellers, merchant, agents, dealers, distributors, commission agents, brokers, stockiest, factors, consignors, collaborators, franchisers, concessionaire, consultant, advisors, manufacturer's representative, job worker, assembler, repairers and other wise to deal in all kinds, classes, size, nature and description of Industrial, Commercial, Consumer, Capital Goods, FMCG goods, Item, Things, Articles, Commodities, Merchandise, Products weather finished, semi-finished or raw material including

Engineering Goods, Equipments, machineries, spare parts, all types of scrap, Apertures, Home-Appliances, Household, Automobiles, Electrical and electronic goods, Computer Hardware, Software Gift Article, Toys, Readymade Garments, Fibers and Fabrics, Yam, Textile, Hosiery Goods wares, Decorative, Glass and Glass Products, Glass ware, Crockery, Beverages, MOW Fertilizers, Pesticides, Drugs, Medicines and Pharmaceuticals, Seeds, Food grains, Cereals, Flours, Fruits, Dry fruits, Vegetables, Herbal and Ayurvedic Products, Agriculture produce and products, Milk and Dairy Products, Food products, Marine Products, Sugar and Sugar Products, Tea and Coffee, Tobacco, Cosmetics, Cement, Cement Product, Ceramics Products, Sanitary ware Salt, Dyes, Intermediates, Chemicals, Pigments, Colors, Paints and Varnthest-2 Diamond, Gold, Jewelry, Novelty, Stationery, Ferrous and non-ferrous metals, Solvent, Oil edible and non-edible, Lubricants, fuel additive, Stones, Marbles and Granites, Mining products, and Polymers products, Timber, Wood and Wooden article, Furniture, Petroleum product and to acquire, hold, buy, sell, lease, let on hire or deal in all kind of Land and Commercial and residential properties.

### Financial performance

(Rs in Lakhs)

Particulars	2017-18	2016-17	2015-16
Authorized Capital	1.00	1.00	1.00
Paid up Equity Capital	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserve)	13.53	11.02	5.02
Sales/ Income	678.47	843.53	675.84
Profit After Tax	2.51	6.00	4.66
Earnings per share (Basic) (in Rs.)	25.11	60.00	46.62
Earnings per share (Diluted) (in Rs.)	25.11	60.00	46.62
Net Asset Value (in Rs.)	145.29	120.19	60.19

Nature and Extent of Interest of Promoters:

Our Promoter, Mr. Manojkumar Choukhany holds 5,000 Equity shares in CEPL which tends to 50.00% of equity holdings of the Company.

### Significant Notes of Auditor

There are no significant notes of the auditors in relation to the aforementioned financial statements.

### LITIGATION INVOLVING OUR GROUP COMPANIES

For details of litigation involving our Group Companies which have a material impact on our Company, Kindly refer to section titled “*Outstanding Litigation and Material Developments*” on Page 166 of this Red Herring Prospectus.

### LOSS MAKING GROUP COMPANIES

None of our Group Company has incurred loss in the preceding Financial Year.

### DEFUNCT/ STRUCK-OFF COMPANY

None of our Group Companies have remained defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Red Herring Prospectus with Stock exchange.

### INTEREST OF OUR GROUP COMPANIES

#### Interest in the promotion of Our Company

None of Our Group Companies have interest in the promotion of our Company.

**Interest in the properties acquired or proposed to be acquired by our Company in the past three years or proposed to be acquired**

Except as mentioned in the section titled "*Our Business*" under the heading Land & Property beginning on page 98 of this Red Herring Prospectus, none of our Group Companies have any interest in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of Red Herring Prospectus.

**Interest in the transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies are interested in any transaction for acquisition of land, construction of building or supply of machinery to our Company.

**COMMON PURSUITS**

Our Group Company, Citi Exim Private Limited is engaged in similar line of business as that of our Company; however there is no Non-compete agreement as on date of this Red Herring prospectus. In case of any such situation arising in future involving conflict of interest among our company and either of the group company, Our Company would adopt necessary measures and practices as permitted by law and regulatory guidelines to address any conflict situation as and when it arises.

**Related Business transactions between our Company & Group Companies and significance on the financial performance of Our Company**

Except as disclosed under the Annexure XXX "*Related Party Transactions*" on page 150 of this Red Herring Prospectus, there are no related business transactions of our Company with its Group Companies and significance of the same on the financial performance of our Company.

**Business interests of group companies in Our Company**

Other than as disclosed under the Annexure XXX "*Related Party Transactions*" on page 150 of this Red Herring Prospectus, none of the group companies have any interests in the business of our Company or interest of any other nature as on the date of this Red Herring Prospectus.

**Payment or benefit to our Group Companies**

Except as stated under the Annexure XXX "*Related Party Transactions*" beginning on page 150 of this Red Herring Prospectus, no payment or benefits were paid or intended to be paid to our group companies during the financial years ended, March 31, 2019, March 31, 2018 and March 31, 2017.

## **SECTION XII: OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

Our Board has approved the Fresh Issue pursuant to the resolution passed at its meeting held on May 24, 2019 and our Shareholders have approved the Fresh Issue pursuant to a resolution passed at the AGM held on June 15, 2019 under Section 62(1)(c) of the Companies Act, 2013.

### **PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES**

We confirm that our Company, Directors, Promoters, Promoter Group and person in control of our Company are not prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Red Herring Prospectus.

Neither our Promoters, nor any of our Directors or persons in control of our Company are a promoter, director or person in control of any other company which have been debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities as on the date of this Red Herring Prospectus.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

None of our Directors are associated with the securities market in any manner, including securities market related business.

Further, none of our Promoters or Directors has been declared as fugitive economic offender under Fugitive Economic Offenders Act, 2018.

### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of this Red Herring Prospectus, there are no such significant beneficial owners in our Company.

### **PROHIBITION BY RBI**

Neither our Company nor any of our Promoters or Directors has been declared as wilful defaulter(s) by the RBI or any other governmental authority.

### **ELIGIBILITY FOR THIS FRESH ISSUE**

Our Company is eligible for the Issue in accordance with regulation 229(2) and other provisions of chapter IX of the SEBI (ICDR) Regulations, 2018 as the Post Issue paid up capital is more than Rs. 10 Crores and less than Rs. 25 Crores, we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE Limited").

### **We confirm that:**

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue will be 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to section titled "*General Information*" beginning on page 42 of this Red Herring Prospectus.
2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will

be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

3. We shall file this Red Herring Prospectus with Stock Exchange and pursuant to sub regulation (5) of regulation 246; the copy of Red Herring Prospectus shall also be furnished to the SEBI in a soft copy. However SEBI shall not issue any observation on this Red Herring Prospectus in terms of Regulation 246 of SEBI (ICDR) Regulations.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the BRLM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the market making arrangement see section titled "General Information" beginning on page 42 of this Red Herring Prospectus.
5. The Post-Issue paid up capital of the Company shall not be more than Rs. 25 Crores. The post Issue capital of our Company shall be Rs.[●]
6. The Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the date of filing of this Red Herring Prospectus.
7. The Company has a track record of three years as on date of filing of this Red Herring Prospectus.
8. The Net worth of the Company is positive as per the latest audited financial statements.
9. As per the restated financial statement, the Net Tangible Assets is more than Rs. 3 Crore as on March 31, 2019.
10. The Net worth and Cash accruals (Earnings before depreciation and tax) from operation of the Company as per the Restated Financial statements for the financial year ended March 31, 2019, 2018 and 2017 is as set forth below:

(Amount in Rs. in Lakhs)

Particulars	For the financial year ended 31 <sup>st</sup> March		
	2019	2018	2017
Net Worth	797.85	437.66	202.03
Cash Accruals	499.14	393.99	98.60

*\*"Net Worth" has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any.*

*\*\*"Cash accruals" has been defined as the Earnings before depreciation and tax from operations*

11. The track record of the Company as per the Restated Consolidated financial statements for the financial year ended March 31, 2019, 2018 and 2017 is as set forth below:

(Amount in Rs in Lakhs)

Particulars	For the financial year ended 31 <sup>st</sup> March		
	2019	2018	2017
Profit/(Loss)	344.92	309.37	63.32

12. The Company shall mandatorily facilitate trading in Demat securities and already entered into an agreement with both the depositories.
13. The Company has not been referred to Board for Industrial and Financial Reconstruction.
14. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
15. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.



16. There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME Platform.

17. The Company has a website: [www.goblinindia.com](http://www.goblinindia.com).

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER FAST TRACK FINSEC PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, FAST TRACK FINSEC PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, FAST TRACK FINSEC PRIVATE LIMITED, HAS FURNISHED TO SEBI IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ,ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad, in terms of Section 26 and 32 of the Companies Act, 2013.

**STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY FAST TRACK FINSEC PRIVATE LIMITED:**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing

							listing	
1.	Kranti Industries Limited	8.5803	37.00	February 28, 2019	35.25	-1.35% [8.38%]	0.37 [10.13%]	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com), Issue Information from respective Prospectus.

Note:

- (1) The BSE Sensex is considered as the Benchmark Index.
- (2) Prices on BSE are considered for all of the above calculation.
- (3) In case the 30th/90th/180<sup>th</sup> day is a holiday, closing price on BSE of the previous trading day has been considered.
- (4) In case 30th/90th/180<sup>th</sup> days, scrips are not traded then closing price on BSE of the previous trading day has been considered.
- (5) N.A. – Period not completed.

#### SUMMARY STATEMENT OF DISCLOSURE:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30th calendar days from listing			No. of IPOs trading at Premium- 30th calendar days from listing			No. of IPOs trading at discount- 180th calendar days from listing			No. of IPOs trading at Premium- 180th calendar days from listing		
			Over 50 %	Bet we en 25-50 %	Les s than 25 %	O v we en 25-50 %	Les s than 25 %	Ov er 50 %	Bet we en 25-50 %	Les s than 25 %	Over 50 %	Bet we en 25-50 %	Less than 25 %	
2018-19	1 <sup>(1)</sup>	8.5803	-	-	1	-	-	-	-	-	-	-	-	-

(1) The scrip of Kranti Industries Limited was listed on February 28, 2019. Further, the scrip of Kranti Industries Limited has not completed its 180<sup>th</sup> day from the date of listing.

#### TRACK RECORD OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGER

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at: [www.ftfinsec.com](http://www.ftfinsec.com).

#### DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.ftfinsec.com](http://www.ftfinsec.com) would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the agreement entered between the LM (Fast Track Finsec Private Limited) and our Company on July 10, 2019 and the Underwriting Agreement dated August 21, 2019 entered into between the Underwriter and our Company and the Market Making Agreement dated August 21, 2019 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or her about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, Gujarat only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with BSE Limited for its observations and BSE Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE**

BSE Limited (“BSE”) has given vide its letter dated September 03, 2019 permission to this Company to use its name in this Prospectus as one of the stock exchanges on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Limited does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company; and

It should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## **LISTING**

Application will be made to the BSE Limited” for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The BSE Limited has given its in-principle approval for using its name in the Offer Document vide its letter no.LO/SME IPO/CS/IP/202/2019-20 dated September 03,2019

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within six Working Days from the Issue Closing Date.

## **IMPERSONATION**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

- a) 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 to action under section 447 of the Companies, Act 2013.

## **CONSENTS**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company and (b) Book Running Lead Manager, Syndicate member, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue, and Legal Advisor to the Issue, to act in their respective capacities have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the ROC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the ROC.

## **EXPERT TO THE ISSUE**

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

- Report of the Auditor on Statement of Tax Benefits
- Report of the Auditor on Restated Financial Statements for the financial years ended on March 31, 2019, 2018 and 2017 of our company.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES**

Except as stated in the section titled “Capital Structure” beginning on page 51 of this Red Herring Prospectus, we have not made any previous rights and/or public issues during last 5 years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the last 5 years.

## **CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER COMPANY AND LISTED GROUP COMPANIES / SUBSIDIARIES / ASSOCIATES**

Neither our Company nor any of our Group Companies/ Subsidiaries/ Associate Companies has undertaken any capital issue or any public or rights issue in the last three years preceding the date of this Red Herring Prospectus.

## **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY AND/OR LISTED SUBSIDIARY COMPANY AND/OR LISTED PROMOTER COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us. Further as on date of this Red Herring Prospectus Our Company has no listed subsidiary and listed Promoter Company.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, UPI ID (if applicable) number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted. All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the Bidders, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders. Further, as on date of this Red Herring Prospectus none of the Group Companies/ Subsidiary Company or associates of our Company are listed on any stock exchange. So disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies and group companies is not applicable.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on May 24, 2019. For further details, please refer to the section titled “*Our Management*” beginning on page 112 of this Red Herring Prospectus.

Our Company has appointed Ms. Nikita Suyani as Company Secretary and Compliance Officer and She may be contacted at the following address:

**Ms. Nikita Suyani**

Goblin India Limited  
Camex House 1st Floor, Commerce Road  
Navrangpura Ahmedabad-380009  
Gujarat, India.  
**Telephone:** +91-79-26465080,  
**Website:** www.goblinindia.com  
**Email:** cs@goblinindia.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

#### **PURCHASE OF PROPERTY**

Except as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



## SECTION XIII: ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the abridged prospectus, any addendum/corrigendum thereto, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GOI, the Stock Exchange, the ROC, the DIPP, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GOI, the Stock Exchange, the ROC and/or any other authorities while granting its approval for the Issue.*

*Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Retail Individual Investors applying in public issue shall have to use UPI as a payment mechanism for making application w.e.f July 01, 2019.*

*Further vide the said circular Registrar to the Issue 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 Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of Equity Shares has been proposed by a resolution of the Board of Directors of our Company at their meeting held on May 24, 2019 and was approved by the Shareholders of the Company by passing Special Resolution at the Annual General Meeting held on June 15, 2019 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to section titled "*Description of Equity Shares and terms of the articles of association*" beginning on page 220 of this Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act 1956 and Companies Act 2013, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation 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. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. For further details, please refer to section titled "*Dividend Policy*" beginning on page 129 of this Red Herring Prospectus.



### **Face Value and Issue Price**

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and the Regional newspaper where the Registered Office of the Company is situated, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchange.

At any given point of time there shall be only one denomination of Equity Shares.

### **Compliance with SEBI (ICDR) Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "*Description of Equity Shares and terms of the articles of association*" beginning on page 220 of this Red Herring Prospectus.

### **Allotment of Equity Shares only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated March 14, 2018 between NSDL, our Company and Registrar to the Company;  
and
- Tripartite Agreement dated February 15, 2018 between CDSL, our Company and Registrar to the Company.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmedabad, Gujarat.

**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 S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Joint Holders**

Where 2 (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 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 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 the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Since the allotment of Equity Shares in the Issue 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 Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Red Herring Prospectus after it is registered with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Red Herring Prospectus.

**Bid/ Issue Opening Date**

<b>Event</b>	<b>Indicative Date</b>
Bid / Issue Opening Date	September 30, 2019
Bid / Issue Closing Date	October 04, 2019
Finalization of Basis of Allotment with the Designated Stock Exchange	October 10, 2019
Unblocking of funds from ASBA Accounts	On or before October 14, 2019
Credit of Equity Shares to demat accounts of Allottees	On or before October 14, 2019
Commencement of trading of the Equity Shares on the Stock Exchange	On or before October 15, 2019

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

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

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

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

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

**In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (Issue) period disclosed in this red herring prospectus in case of a book built issue, for a minimum period of three working days, subject to the Bid/ Issue Period not exceeding 10 working days.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Issue including devolvement of Underwriters, if any, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Offer Document and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 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 Rs. 2500 lakhs by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid up Capital of the company is more than Rs.1000 lakhs but below Rs. 2500 lakhs, Our Company may still apply for migration to the Main Board if our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company desiring to migrate to the Main board from the SME Board within two years of listing on SME platform of BSE has to fulfill following conditions:

1. *The increase in post issue face value capital beyond Rs. 2,500 lakhs should arise only because of merger/acquisition or for expansion purposes.*
2. *The company should have a minimum turnover of Rs. 1,000 lakhs as per last audited financials and market capitalization of Rs.10,000 lakhs.*
3. *The company should have a minimum profit before tax of Rs. 1,000 lakhs for two years out of three preceding years.*
4. *There should not be any action against the company by any regulatory agency at the time of application for migration.*

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE. For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" on page 42 of this Red Herring Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME segment of BSE.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the Companies Act 2013 and SEBI (ICDR) Regulations, every company making public offer shall issue securities only in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the equity shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "*Capital Structure*" beginning on page 51 of this Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Description of Equity Shares and terms of the articles of association*" beginning on page 220 of this Red Herring Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*



### ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations as amended from time to time, whereby, our post issue face value capital exceeds ten crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue please refer section titled "Terms of the Issue" and "Issue Procedure" on page 187 and 196 of this Red Herring Prospectus.

**Following is the issue structure:**

Initial Public Offer of 29,24,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. [●] per equity share (including a premium of Rs. [●] per equity share) aggregating to Rs. [●] Lakhs. The Issue comprises a Net Issue to the public of 27,76,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 27.99 % and 26.58 % of the post-Issue paid-up Equity Share capital of our Company. The issue comprises a reservation of 1,48,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars	Market Maker Reservation Portion	Retail Individual Bidders	Non Institutional Bidders
<b>Number of Equity Shares*</b>	1,48,000 Equity Shares	13,88,000 Equity Shares	13,88,000 Equity Shares
<b>Percentage of the Issue Size available for allocation</b>	5.06 % of the Issue	47.47 % of Net Issue Size available for allocation.	47.47 % of Net Issue Size available for allocation
<b>Basis of Allotment/Allocation, if respective category is oversubscribed</b>	Firm Allotment	Proportionate subject to minimum lot as explained in the section titled "Issue Procedure" on [●] of this Red Herring Prospectus.	Proportionate
<b>Mode of Bid cum Application</b>	Through ASBA Process only	Through UPI mechanism	Through ASBA Process only
<b>Minimum Bid Size</b>	1,48,000 Equity Shares	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity shares in multiple of [●] Equity shares that Application size exceeds Rs. 2,00,000
<b>Maximum Bid Size</b>	1,48,000 Equity Shares	[●] Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs. 2,00,000	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to limits as applicable to the Applicants.
<b>Mode of Allotment</b>	Compulsorily dematerialized mode		



<b>Trading Lot</b>	[•] Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[•] Equity Shares	[•] Equity Shares
<b>Terms of Payment</b>	In case of ASBA, The entire Application Amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an compulsory payment mechanism for retail individual investor, Application amount shall be blocked at the time of confirmation of mandate collection request by applicant.		

1. *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.*
2. *In terms of Rule 19(2)(b) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations*

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

## ISSUE 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, modified and updated pursuant to, among others, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 notified by SEBI, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016, SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, , SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, as amended from time to time (“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 SCRA, the SCRR and the SEBI (ICDR) Regulations. The General Information Document shall be made available on the websites of the Stock Exchanges, the Company and the Book Manager before opening of the Issue Period. Pursuant to the SEBI circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, the General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

***Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section. Bidders are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.***

**Our Company and the Book Running Lead Manager are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus.**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein no reservation is being made for Qualified Institutional Buyers and the allocation to the public will be made as per Regulation 253 of the SEBI ICDR Regulations.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid 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 BRLM 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 Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder’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 Bid cum Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

## Phased implementation of Unified Payments Interface

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase I”). Thereafter, for application by RIBs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI Mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.

This Issue may be amongst one of the few initial public offerings in which the UPI Mechanism for application by Retail Individual Bidders is being permitted, the Company and the LM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

Retail Individual Bidders making application using UPI shall use only his / her own bank account or only his/her own bank account linked UPI ID to make an application in the Issue. The SCSBs upon receipt of the Application Form will upload the Application details along with the UPI ID in the Application platform of the Stock Exchanges. Applications made by the Retail Individual Applicants using third party bank account or using UPI Ids linked to the bank accounts of any third parties are liable for rejection. Bankers to the Issue shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. Post uploading the Application details in the Application platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Applicants with the Depositories.

## Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchange, the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue shall have to use UPI payment mechanism for application. The bid cum application form submitted by Non Retail Individual Investors (without using UPI), NIIs and QIBs must provide bidder’s bank account details and authorization to block funds in the relevant space provided in the Bid cum Application Form. Further, Retail Individual Investors submitting bid cum application form using UPI shall mention the UPI of the his/her own Bank account in the bid cum application form in the relevant space and the Bid cum Application Forms that do not contain such details are liable to be rejected.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank. Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Bid.

No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (2) to (5) above (hereinafter referred as 'Intermediaries'), and intending to use UPI, shall also enter their UPI ID in the bid-cum-application form*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on

	his / her mobile application, associated with UPI ID linked bank account.
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Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Book Running Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com) one day prior to the Application /Issue Opening Date.

### **Who can Bid?**

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- i. Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- ii. 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;
- iii. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- iv. Mutual Funds registered with SEBI;
- v. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- vi. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- vii. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- viii. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- ix. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional applicant's category;
- x. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- xi. Foreign Venture Capital Investors registered with the SEBI;
- xii. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- xiii. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

- xiv. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- xv. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- xvi. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- xvii. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- xviii. Insurance funds set up and managed by army, navy or air force of the Union of India;
- xix. Multilateral and bilateral development financial institution;
- xx. Eligible QFIs;
- xxi. Insurance funds set up and managed by army, navy or air force of the Union of India;
- xxii. Insurance funds set up and managed by the Department of Posts, India;
- xxiii. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

### **Maximum and Minimum Application Size**

#### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid amount payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Bid, the Retail Individual Applicants have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

#### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Bid cum Application must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

### **Number of Applications per Bank Account**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.



Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

### **Bids at Different price levels and Revision of Bids**

1. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
2. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
3. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
4. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. In case of Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
5. In case of Bids submitted using UPI ID for payment the same shall be revised by using UPI ID.

### **Participation by Associates /Affiliates of Book Running Lead Manager and the Syndicate Members**

The BRLM and Syndicate members, if any, shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the Book Running Lead Manager and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.
- b. Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.
- c. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- d. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Availability of Red Herring Prospectus and Bid cum Application form**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and Stock Exchange at least one day prior to the Bid/Issue Opening Date



### **Bids by HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum 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”. Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

### **Bids by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Bid must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An Bidder in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

### **Bids by eligible NRI's**

Eligible NRIs may obtain copies of Bid cum Application Form from 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”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full application amount, at the time of the submission of the Bid cum 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 Bid cum Application Form meant for Non-Residents (blue in colour).

### **Bids by FPI's including FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of 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 Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of 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.

With regards to purchase/sale of capital instruments of an Indian Company by an FPI under PIS, the total holding by each FPI or an investor group as referred in SEBI (Foreign Portfolio Investor) Regulations, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as

applicable, by the Indian Company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body and subject to prior intimation to RBI. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is offered 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 offered only to persons who are regulated by an appropriate regulatory authority; and
- (ii) such offshore derivative instruments are offered after compliance with know your client norms.

An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

### **Bids by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual Fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Bid cum Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **Bids by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital

Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

Our Company or BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

#### **Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserve the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

#### **Applications by Systematically Important Non Banking Financial Companies**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **Bids by Insurance Companies**

In case of bids made by insurance companies registered with Insurance Regulatory Development Authority ("**IRDA**"), certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the BRLM, 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, 2016 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids 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 reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks 'interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making 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.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserve the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserve the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserve the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2,500 Lakhs and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserve the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the Book Running lead manager may deem fit. The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

#### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Red Herring Prospectus.

#### **Information for the Bidders:**

1. Our Company shall register the Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
2. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre- Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.
3. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least two Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.

4. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band subject to the provisions of regulation 250 of the SEBI ICDR Regulations. Further, this announcement shall be disclosed on the websites of the Stock Exchange where the Equity Shares are proposed to be listed and shall also be prefilled in the Bid cum Application Forms available on the websites of the stock exchange.
5. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by a minimum of three Working Days, subject to the total Issue Period not exceeding ten Working Days. Also, in case of force majeure, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the Issue Period for a minimum of three working days subject to the total Issue Period not exceeding ten working days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchange, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchange by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

#### **Instructions for Completing the Application Form**

The Bids should be submitted on the prescribed Bid cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Bid cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid cum Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid cum Application forms in Public Offer with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com)

#### **Terms of payment**

The entire Issue price of Rs [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, 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 of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism for Bidders**

Bidders must specify the Bank Account number, or the UPI ID, as applicable, in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.



The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Retail Individual Investors applying in public Issue shall have to use UPI as a payment mechanism for making application w.e.f July 01, 2019 .

### **Electronic Registration of Bids**

1. The Designated Intermediaries will register the Bids using the on-line facilities of the Stock Exchange. 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.
2. On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange.
3. Only Bids that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, 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 send the bid information to the Registrar to the Issue for further processing.

### **Build up of the Book**

1. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
2. Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

### **Withdrawal of Bids**

1. 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 or Sponsor Bank in the ASBA Account.
2. 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.



## Price Discovery and Allocation of Equity shares

Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price.

The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.

Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

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

Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20.00 to Rs.24.00 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount(Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

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

## Signing of Underwriting Agreement and Registering of Red Herring Prospectus/ Prospectus with ROC

- 1) Our company and Underwriter have entered into an Underwriting Agreement dated August 21, 2019.
- 2) A copy of Red Herring Prospectus/ Prospectus will be filed with the RoC in terms of Section 32 of Companies Act, 2013.

## Filing of Offer Document

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR) Regulations. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Red Herring Prospectus shall also be furnished to the board in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus / Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Red Herring Prospectus / Prospectus along with the documents required to be filed under Section 32

of the Companies Act, 2013 will be delivered to the Registrar of Company, Ahmedabad, situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date and the floor price or price band along with the necessary details subject to Regulation 250 of the SEBI ICDR Regulations. 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 X of the SEBI Regulations.

### **Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **Issuance of Confirmation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs or Sponsor Bank a list of their Bidders who have been allocated Equity Shares in the Issue.
2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
3. The Registrar to the Issue will dispatch an Allotment Advice (CAN) to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice (CAN) shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
4. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply;
- Ensure that you have Bid within the Price Band;

- Read all the instructions carefully and complete the applicable Bid cum Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
- QIBs, Non-Institutional Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII should submit their bid by using UPI mechanism for payment.
- Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- 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 Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Bid cum Application Forms are delivered by the applicants within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Bid size;
- Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Bid amount in cash, by money order or by postal order or by stock invest;
- Do not send Bid cum Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company
- Do not Bid on an Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Bid Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Bid cum Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or

- regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
  - Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
  - Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Bidder; and
  - Do not make Bids if you are not competent to contract under the Indian Contract Act, 1872, as amended.
  - Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated March 14, 2018 between NSDL, the Company and the Registrar to the Company; and
- b) Agreement dated February 15, 2018 between CDSL, the Company and the Registrar to the Company;

The Company's equity Shares bear an ISIN No. INE492Z01018.

### **Communication**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date. In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within six (6) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

### **Procedure and Time Of Schedule For Allotment and Demat Credit**

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to

facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account which will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## **Basis of Allotment**

### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 13,88,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 13,88,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.

### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs, if any and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 13,88,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than 13,88,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.

## **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

"Any person who—

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different

- combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

### **Mode of Making Refund for ASBA Applicants**

In case of ASBA Bid cum Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bid cum applications or in the event of withdrawal or failure of the Issue.

### **Interest in Case of Delay in Allotment or Refund**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been dispatched to the applicants or if, in a case 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 within eight days from the date of the closure of the issue. However, Bid cum applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

### **Undertakings by Our Company**

Our Company undertakes as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily.
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on stock exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company.
- 4) where refunds (if applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) That our Promoter's contribution in full has already been brought in.
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under- subscription etc.
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- 8) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly.
- 9) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue.
- 10) If 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.
- 11) Adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 pursuant to Section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Offer.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.



## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated January 4, 2018 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our company is in the business of developing, manufacturing and marketing wellness products. These activities are listed in section 5.2.5 under the head “Manufacturing” of the FDI Policy 2017 which allows 100% foreign direct investment through automatic route subject to the provisions of FDI Policy.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfillment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time. ; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting

requirements, documentation etc., are complied with.. As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49 % or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

##### **i. Investment by FIIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of share/s convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures

However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through offshore Funds, Global Depository receipts and Euro-Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

##### **ii. Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme**

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will

exclude investment made by RFPI through of off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.

### iii. Investment by NRI or OCI on repatriation and non-repatriation basis:

With respect to purchase/sale of shares and/or convertible debentures by a NRI or OCI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA

(Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on nonrepatriation basis, does not exceed 5 % of the paid-up value of shares issued by the company concerned;
- the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5 % of the paid-up value of each series of convertible debentures issued by the company concerned;
- the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10 % of the paid up capital of the company and in the case of purchase of convertible debentures;
- the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures;

However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

### iv. Investment by NRI or OCI on Non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI or OCI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of**

**other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

The above information is given for the benefit of the Investors. Our Company, the BRLM is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Investors are advised to make their independent investigations and ensure that the number of Equity Shares Application do not exceed the applicable limits under laws or regulations.

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association of the Company are detailed below:

Article No.	Description
<i>Interpretation</i>	
1	<p>In these Articles unless there be something in the subject matter or context inconsistent therewith:</p> <ul style="list-style-type: none"> <li>i. <b>“The Act”</b> means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.</li> <li>ii. <b>“Articles”</b> means Articles of Association of the Company as originally framed or altered from time to time</li> <li>iii. <b>“Beneficial Owner”</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.</li> <li>iv. <b>“Board” or “Board of Director”</b> means the Collective body of the Board of Directors of the Company.</li> <li>v. <b>“Chairman”</b> means the Chairman of the Board of the Directors of the Company.</li> <li>vi. <b>“The Company”</b> means Goblin India Limited</li> <li>vii. <b>“Depositories Act, 1996”</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.</li> <li>viii. <b>“Depository”</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.</li> <li>ix. <b>“Directors”</b> mean the Directors for the time being of the Company.</li> <li>x. <b>“Dividend”</b> includes any interim dividend.</li> <li>xi. <b>“Document”</b> means a document as defined in Section 2 (36) of the Companies Act, 2013.</li> <li>xii. <b>“Equity Share Capital”</b>, with reference to any Company limited by shares, means all share capital which is not preference share capital;</li> <li>xiii. <b>“KMP”</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.</li> <li>xiv. <b>“Managing Director”</b> means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.</li> <li>xv. <b>“Month”</b> means Calendar month.</li> <li>xvi. <b>“Office”</b> means the registered office for the time being of the Company.</li> <li>xvii. <b>“Paid-up share capital”</b> or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;</li> <li>xviii. <b>“Postal Ballot”</b> means voting by post or through any electronic mode.</li> <li>xix. <b>“Proxy”</b> includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.</li> <li>xx. <b>“Public Holiday”</b> means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</li> <li>xxi. <b>“Registrar”</b> means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a</li> </ul>

Article No.	Description
	<p>Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.</p> <p>xxii. <b>“Rules”</b> means the applicable rules as prescribed under the relevant sections of the Act for time being in force.</p> <p>xxiii. <b>“SEBI”</b> means Securities &amp; Exchange Board of India established under Section 3 of the Securities &amp; Exchange Board of India Act, 1992.</p> <p>xxiv. <b>“Securities”</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</p> <p>xxv. <b>“Share”</b> means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>xxvi. <b>“Seal”</b> means the common seal of the Company.</p> <p>xxvii. <b>“Preference Share Capital”</b>, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—</p> <p>(a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and</p> <p>(b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;</p> <p>Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.</p> <p>‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.</p>
<b>Share Capital</b>	
2	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
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 Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.
<b>Issue of Sweat Equity Shares</b>	
4	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine
<b>Issue of Debentures</b>	
5	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be



Article No.	Description
	conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.
<b><i>Issue of Share Certificates</i></b>	
6	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p style="margin-left: 40px;">a. one certificate for all his shares without payment of any charges; or</p> <p style="margin-left: 40px;">b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>
7	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.
8	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder
9	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.
<b><i>Power to pay Commission In connection with the Securities issued</i></b>	
10	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>
<b><i>Variations of Shareholder's rights</i></b>	
11	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may,</p>



Article No.	Description
	<p>subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
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 <i>pari passu</i> therewith
<b>Issue of Preference Shares</b>	
13	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.
<b>Further Issue of shares</b>	
14	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p style="margin-left: 40px;">(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p style="margin-left: 40px;">(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p style="margin-left: 40px;">(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>
<b>Lien</b>	
15	<p>i. The Company shall have a first and paramount lien—</p> <p style="margin-left: 40px;">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 on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company: Every 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</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>

Article No.	Description
	<ul style="list-style-type: none"> <li>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</li> </ul>
16	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <ul style="list-style-type: none"> <li>a. unless a sum in respect of which the lien exists is presently payable; or</li> <li>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</li> </ul>
17	<ul style="list-style-type: none"> <li>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</li> <li>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</li> <li>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</li> </ul>
18	<ul style="list-style-type: none"> <li>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</li> <li>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</li> </ul>
<b>Joint Holdings</b>	
19	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <ul style="list-style-type: none"> <li>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</li> <li>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</li> <li>c) On the death of any 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.</li> <li>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</li> <li>e) 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 delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</li> <li>f) <ul style="list-style-type: none"> <li>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in 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 attorney or by proxy stands first in Register in respect of such shares.</li> <li>(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 as Joint-Holders.</li> </ul> </li> <li>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</li> </ul>

Article No.	Description
<b><i>Calls on shares</i></b>	
20	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p style="padding-left: 40px;">Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>
21	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
22	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof
23	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
24	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
25	<p>The Board—</p> <p>i. 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</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>
26	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>
27	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.
28	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.
<b><i>Transfer of shares</i></b>	
29	<p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p> <p>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>
30	<p>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the</p>

Article No.	Description
	transferee is entered in the register of members in respect thereof.
31	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</li> </ul>
32	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>ii. 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 the instrument of transfer is in respect of only one class of shares.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</li> <li>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</li> <li>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</li> </ul>
33	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay
34	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>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</p>
35	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.
<b><i>Register of Transfers</i></b>	
36	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.
<b><i>Dematerialisation of Securities</i></b>	
37	<ul style="list-style-type: none"> <li>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles. <ul style="list-style-type: none"> <li>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</li> <li>b. Option for Investors:</li> </ul> </li> </ul>

Article No.	Description
	<p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li> </ul> <p>d. Rights of Depositories &amp; Beneficial Owners:- Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p>

Article No.	Description
	vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.
<b>Transmission of shares</b>	
38	<ul style="list-style-type: none"> <li>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</li> <li>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</li> </ul>
39	<ul style="list-style-type: none"> <li>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— <ul style="list-style-type: none"> <li>a. to be registered himself as holder of the share; or</li> <li>b. to make such transfer of the share as the deceased or insolvent member could have made.</li> </ul> </li> <li>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency</li> </ul>
40	<ul style="list-style-type: none"> <li>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</li> <li>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</li> <li>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</li> </ul>
41	<p>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:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
42	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>
<b>Forfeiture of shares</b>	
43	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
44	<p>The notice aforesaid shall—</p> <ul style="list-style-type: none"> <li>i. 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</li> <li>ii. 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.</li> </ul>



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45	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.
46	<ul style="list-style-type: none"> <li>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ul>
47	<ul style="list-style-type: none"> <li>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</li> <li>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</li> </ul>
48	<ul style="list-style-type: none"> <li>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</li> <li>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</li> <li>iii. The transferee shall thereupon be registered as the holder of the share; and</li> <li>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</li> </ul>
49	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.
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 provision 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 regulations 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.
<b><i>Initial payment not to preclude forfeiture</i></b>	
55	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.



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<b><i>Alteration of capital</i></b>	
56	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
57	<p>Subject to the provisions of section 61, the Company may, by ordinary resolution,—</p> <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iv. 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.</li> </ul>
<b><i>Conversion of Shares into Stock</i></b>	
58	<p>Where shares are converted into stock,—</p> <ul style="list-style-type: none"> <li>i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</li> </ul> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <ul style="list-style-type: none"> <li>ii. 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.</li> <li>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</li> </ul>
<b><i>Reduction of Capital</i></b>	
59	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—</p> <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account; or</li> <li>iii. Any share premium account</li> </ul>
<b><i>Share Warrants</i></b>	
60	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the</p>

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	<p>deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction</p>
<b>Capitalisation of profits</b>	
61	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> <li>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</li> <li>b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</li> </ol> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</li> <li>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>
62	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <ol style="list-style-type: none"> <li>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</li> <li>b. generally to do all acts and things required to give effect thereto.</li> </ol> <p>ii. The Board shall have power—</p> <ol style="list-style-type: none"> <li>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</li> <li>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,</li> </ol>

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	<p>credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>
<b><i>Buy-back of shares</i></b>	
63	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
<b><i>General Meeting</i></b>	
64	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.
65	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>
<b><i>Proceedings at general meetings</i></b>	
66	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p style="padding-left: 20px;">i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p style="padding-left: 20px;">ii. In any other case, the quorum shall be decided as under:</p> <p style="padding-left: 40px;">a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p style="padding-left: 40px;">b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>
67	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
68	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.
69	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
70	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
71	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

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<b><i>Demand for poll</i></b>	
72	<p>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>
<b><i>Time of taking poll</i></b>	
73	<p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>
<b><i>Adjournment of meeting</i></b>	
74	<p>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
<b><i>Voting rights</i></b>	
75	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. on a show of hands, every member present in person shall have one vote; and</p> <p>ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</p>
76	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
77	<p>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members</p>
78	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.
79	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 satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
80	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
81	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.
82	<p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting,</p>

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	whose decision shall be final and conclusive.
83	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.
<b><i>Casting Vote</i></b>	
84	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.
<b><i>Representation of Body Corporate</i></b>	
85	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company
<b><i>Circulation of member's resolution</i></b>	
86	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.
<b><i>Resolution requiring special notice</i></b>	
87	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.
<b><i>Resolutions passed at adjourned meeting</i></b>	
88	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.
<b><i>Registration of resolutions and agreements</i></b>	
89	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.
<b><i>Minutes of proceedings of general meeting and of Board and other meetings</i></b>	
90	<ul style="list-style-type: none"> <li>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</li> <li>ii. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed : <ul style="list-style-type: none"> <li>A. In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</li> <li>B. In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</li> <li>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</li> <li>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</li> <li>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</li> <li>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain: <ul style="list-style-type: none"> <li>a. the names of the Directors present at the meetings, and</li> <li>b. In the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</li> </ul> </li> </ul> </li> </ul>

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	<p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <ol style="list-style-type: none"> <li>a. is or could reasonably be regarded, as defamatory of any person</li> <li>b. is irrelevant or immaterial to the proceedings; or</li> <li>c. in detrimental to the interests of the Company.</li> </ol> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>
<b><i>Minutes to be considered to be evidence</i></b>	
91	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.
<b><i>Publication of reports of proceeding of general meetings</i></b>	
92	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
<b><i>Proxy</i></b>	
93	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
94	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
95	<p>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:</p> <p>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.</p>
<b><i>Board of Directors</i></b>	
96	The first directors of the Company are: 1. Mr. Chandraprakash B. Chopra. 2. Ashvinkumar M. Kalaria
97	The Directors need not hold any "Qualification Share(s)".
98	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p>



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	Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.
99	<ul style="list-style-type: none"> <li>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</li> <li>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them— <ul style="list-style-type: none"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company.</li> </ul> </li> </ul>
100	The Board may pay all expenses incurred in getting up and registering the company.
101	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register
102	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.
103	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
104	<ul style="list-style-type: none"> <li>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</li> <li>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act</li> </ul>
<b><i>Retirement and Rotation of Directors</i></b>	
105	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.
106	The remaining Directors shall be appointed in accordance with the provisions of the Act.
107	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
108	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
109	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.
110	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.
<b><i>Nominee Director</i></b>	
111	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other



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	Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as “the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.
112	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.
113	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
114	<p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation</p>
115	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.
<b><i>Removal of Directors</i></b>	
116	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.
117	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
118	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
119	Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,

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	<p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>
120	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.
121	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
122	<p>If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.</p>
123	<p>Nothing in this section shall be taken-</p> <p>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>
<b><i>Remuneration and sitting fees to Directors including Managing and whole time Directors</i></b>	
124	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p> <p>b. In connection with the business of the Company.</p>
125	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- ( Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.
<b><i>Powers and duties of Directors:</i></b>	
	Certain powers to be exercised by the Board only at meeting
126	i. Without derogating from the powers vested in the Board of Directors under these Articles,

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	<p>the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <ol style="list-style-type: none"> <li>a. The power to make calls on shareholders in respect of money unpaid on their shares;</li> <li>b. The Power to authorize buy-back of securities under Section 68 of the Act.</li> <li>c. Power to issue securities, including debenture, whether in or outside India</li> <li>d. The power to borrow moneys</li> <li>e. The power to invest the funds of the Company,</li> <li>f. Power to Grant loans or give guarantee or provide security in respect of loans</li> <li>g. Power to approve financial statements and the Board's Report</li> <li>h. Power to diversify the business of the Company</li> <li>i. Power to approve amalgamation, merger or reconstruction</li> <li>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</li> <li>k. Powers to make political contributions;</li> <li>l. Powers to appoint or remove key managerial personnel (KMP);</li> <li>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>n. Powers to appoint internal auditors and secretarial auditor;</li> <li>o. Powers to take note of the disclosure of director's interest and shareholding;</li> <li>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</li> <li>q. Powers to invite or accept or renew public deposits and related matters;</li> <li>r. Powers to review or change the terms and conditions of public deposit;</li> <li>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</li> </ol> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <ol style="list-style-type: none"> <li>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</li> <li>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</li> <li>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</li> <li>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</li> </ol>
<b>Restriction on powers of Board</b>	
127	<ol style="list-style-type: none"> <li>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting : <ol style="list-style-type: none"> <li>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the</li> </ol> </li> </ol>

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	<p>undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>
128	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.
<b><i>General powers of the Company vested in Directors</i></b>	
129	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act 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 Directors which would have been valid if such regulation had not been made.
<b><i>Specific powers given to Directors</i></b>	
130	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p>

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	<p>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</p> <p>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the</p>

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	Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
xi.	To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
xii.	To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
xiii.	To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
xiv.	Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
xv.	Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
xvi.	To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
xvii.	To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other



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	<p>Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>
<b>Managing Directors</b>	
<b>Power to appoint Managing or Whole-time Directors</b>	
131	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government</p>



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<b><i>Proceedings of the Board</i></b>	
132	<ul style="list-style-type: none"> <li>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</li> <li>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</li> </ul>
133	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.
134	<ul style="list-style-type: none"> <li>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</li> <li>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote</li> </ul>
135	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.
136	The participation of directors in a meeting of the Board/ Committees 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.
137	<ul style="list-style-type: none"> <li>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</li> <li>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</li> </ul>
<b><i>Delegation of Powers of Board to Committee</i></b>	
138	<ul style="list-style-type: none"> <li>a) 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.</li> <li>b) 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</li> </ul>
139	<ul style="list-style-type: none"> <li>a) A committee may elect a Chairperson of its meetings.</li> <li>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</li> </ul>
140	<ul style="list-style-type: none"> <li>a) A committee may meet and adjourn as it thinks fit.</li> <li>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</li> </ul>
141	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
142	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held
<b><i>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</i></b>	
143	<p>Subject to the provisions of the Act,—</p> <ul style="list-style-type: none"> <li>a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</li> <li>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</li> </ul>

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144	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer
<b>The Seal</b>	
145	<ul style="list-style-type: none"> <li>a) The Board shall provide for the safe custody of the seal.</li> <li>b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</li> </ul>
<b>Dividends and Reserve</b>	
146	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
147	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
148	<ul style="list-style-type: none"> <li>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for 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.</li> <li>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</li> </ul>
149	<ul style="list-style-type: none"> <li>a) 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.</li> <li>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</li> <li>c) 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.</li> </ul>
150	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.
151	<ul style="list-style-type: none"> <li>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</li> <li>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</li> </ul>
152	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share
153	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
154	No dividend shall bear interest against the Company.

Article No.	Description
	Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;
155	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act</p>
156	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.
157	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.
<b>Accounts</b>	
158	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting</p>
<b>Inspection of Statutory Documents of the Company:</b>	
159	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <ol style="list-style-type: none"> <li>i. be kept at the registered office of the Company, and</li> <li>ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</li> </ol> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>
160	<p>Register of charges:</p> <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <ol style="list-style-type: none"> <li>a. by any member or creditor without any payment of fees; or</li> </ol>

Article No.	Description
	<p style="text-align: center;">b. by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>
<b>Audit</b>	
161	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>
<b>Winding up</b>	
162	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p style="margin-left: 40px;">i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p style="margin-left: 40px;">ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p style="margin-left: 40px;">iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>
<b>Indemnity</b>	
163	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal</p> <p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p>
<b>Secrecy</b>	
164	<p>a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>

## SECTION XIV: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Camex House ,1st Floor ,Commerce Road, Navrangpura ,Ahmedabad-380009 Gujarat, India from date of filing the Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Issue Agreement dated July 10, 2019 between our Company and the Book Running Lead Manager.
2. Registrar Agreement dated June 12, 2019 between our Company and Registrar to the Issue.(Bigshare Services Private Limited).
3. Underwriting Agreement dated August 21, 2019 between our Company and Underwriter.
4. Market Making Agreement dated August 21, 2019 between our Company, Market Maker and the BRLM.
5. Syndicate Agreement dated September 18, 2019 amongst our Company, the BRLM, the Syndicate Members and the Registrar to the Issue.
6. Bankers to the Issue Agreement dated September 18, 2019 amongst our Company, the BRLM, Banker(s) to the Issue and the Registrar to the Issue.
7. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated March 14, 2018.
8. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 15, 2018

#### **Material Documents**

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated May 24, 2019 in relation to the Issue and other related matters.
3. Shareholders' resolution dated June 15, 2019 in relation to the Issue and other related matters.
4. Statement of Tax Benefits dated April 29, 2019 issued by Statutory Auditor, M/s O R Maloo & Co., Chartered Accountants.
5. Copies of Audited Financial Statements of our Company for the financial year ended on March 31, 2019, 2018 & 2017.
6. Report of the Auditor M/s O R Maloo & Co., Chartered Accountants, dated July 13, 2019 on the Restated Financial Statements for the financial years ended as on March 31, 2019, 2018 and 2017 of our Company.
7. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker/ Lender to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Market Maker , Syndicate member , Advisor to Issue and Bankers to the Issue to act in their respective capacities.
8. Board Resolution dated July 15, 2019 for approval of Draft Red Herring Prospectus and dated September 21, 2019 for approval of Red Herring Prospectus.
9. Due diligence certificate dated July 15, 2019 from Book Running Lead Manager to BSE Limited and SEBI.
10. Copy of approval from BSE Limited *vide* letter dated September 03, 2019, to use the name of BSE in this offer document for listing of Equity Shares on BSE SME (SME Platform) of BSE Limited.


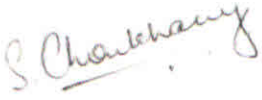
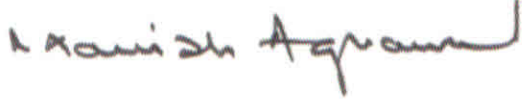


None of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.




**DECLARATION**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY ALL THE DIRECTORS OF OUR COMPANY:**

<b>Mr. Manojkumar Choukhany</b> <i>Chairman and Managing Director</i> DIN:- 02313049	
<b>Mrs. Sonam Choukhany</b> <i>Whole - Time Director</i> DIN:- 08071455	
<b>Mr. Manish Agrawal</b> <i>Non-Executive Director</i> DIN:- 01296404	
<b>Mr. Manoj Soni</b> <i>Non-Executive Independent Director</i> DIN :- 08415016	
<b>Mr. Manmohan Dixit</b> <i>Non-Executive Independent Director</i> DIN:- 02093149	

**SIGNED BY:**

<b>Mr. Manishkumar Nagori Indramal</b> <i>Chief Financial Officer</i>	
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Place: Ahmedabad

Date: September 21, 2019