

**ASTRON PAPER & BOARD MILL LIMITED**

Our Company was incorporated, as a public limited company on December 29, 2010 under the provisions of the Companies Act, 1956 as Astron Paper & Board Mill Limited, in Gujarat vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 29, 2010. Our Company also obtained the Certificate of Commencement of Business on February 3, 2011 from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. For details of changes in the name and the registered office of our Company, see the chapter titled "History and Certain Corporate Matters" beginning on page 163.

Registered Office & Corporate Office: D-702, Seventh Floor, Ganesh Meridian, Opposite:- High Court, S.G. Highway, Ahmedabad - 380060.

Tel: + 91-79-40081221 **Fax:** + 91-79-40081220

Contact Person: Mr. Uttambhai Patel

Designation: Company Secretary and Compliance Officer

E-mail: cs@astronpaper.com **Website:** www.astronpaper.com

Corporate Identification Number: U21090GJ2010PLC063428

PROMOTERS OF OUR COMPANY: MR. KIRIT G. PATEL, MR. RAMAKANT PATEL, MR. KARSHANBHAI PATEL AND ASIAN GRANITO INDIA LIMITED

INITIAL PUBLIC OFFERING OF UP TO 1,40,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF ASTRON PAPER & BOARD MILL LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹[•] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UP TO ₹[•] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF [•] EQUITY SHARES (THE "NET ISSUE") AND RESERVATION OF UP TO 7,00,000 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) NOT EXCEEDING [•]% OF OUR POST-ISSUE PAID-UP EQUITY SHARES CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE WOULD CONSTITUTE [•]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL AND THE NET ISSUE TO THE PUBLIC WOULD CONSTITUTE [•]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM"), ISSUE A DISCOUNT OF UP TO [•]% (EQUIVALENT TO ₹[•] MILLION) ON THE ISSUE PRICE TO ELIGIBLE EMPLOYEES ("EMPLOYEE DISCOUNT"). THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND, THE EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF BUSINESS STANDARD, WHICH IS A WIDELY CIRCULATED ENGLISH AND HINDI NEWSPAPER; AND AHMEDABAD EDITION OF FINANCIAL EXPRESS WHICH IS A WIDELY CIRCULATED GUJARATI NEWSPAPERS, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revisions to the Price Band, the Bid/Issue Period will be extended by at least 3 additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the BRLMs and the terminals of the Syndicate Members and by intimation to Self Certified Syndicate Banks ("SCSBs") and the Registered Brokers.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations") wherein 10% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"). Further, 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 55% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders 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. For details, see "Issue Procedure" on page 265.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each and the Floor Price is [•] times the face value and the Cap Price is [•] times the face value. The Issue Price (determined and justified by our Company, in consultation with the BRLM and as stated under the chapter "Basis for Issue Price" beginning on page 111 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in 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 17 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 the 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 or inclusion 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 issued through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated August 14, 2017 and July 28, 2017, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be BSE. A copy of this Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus upto the Bid/Issue Closing Date, see the section titled "Material Contracts and Documents for Inspection" beginning on page 383.

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

Pantomath Capital Advisors Private Limited,
406-408, Keshava Premises
Bandra Kurla Complex, Bandra East
Mumbai - 400 051
Tel: +91 22 6194 6700
Fax: +91 22 2659 8690
Email: ipo@pantomathgroup.com
Investor Grievance Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Madhu Lunawat
SEBI Registration No: INM000012110

Link Intime India Pvt. Ltd.
C-101, 247 Park,
1st Floor, LBS Marg, Vikhroli (W),
Mumbai-400083
Tel: 022 49186200
Fax: 022 49186195
Email: astron.ipo@linkintime.co.in
Investor Grievance E-mail: astron.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

BID/ISSUE PROGRAMME

FOR ALL BIDDERS: **ISSUE OPENS ON*: December 15, 2017**

FOR ALL BIDDERS: **ISSUE CLOSES ON: December 20, 2017**

*Our Company may, in consultation with the BRLMs, consider closing the Bidding by QIB Bidders one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI Regulations.

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SECTION I – DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this RHP. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Term	Description
“Astron Paper and Board Mill Limited”, “our Company”, “the Company”, “the Issuer Company”, and “the Issuer”	Unless the context otherwise requires, refers to Astron Paper and Board Mill Limited, a public limited company incorporated under the Companies Act, 1956 vide a Certificate of Incorporation date December 29, 2010 issued by the Registrar of Companies, Gujarat and having its registered office at D-702, 7th Floor, Ganesh Meridian, Opposite:- High Court, S.G. Highway Ahmedabad Gujarat-380060, India.
“We”, “our”, “us” or “Group”	Unless the context otherwise indicates or implies, refers to our Company.

COMPANY/ ISSUER RELATED TERMS

Term	Description
Appraisal Report	Techno Economic Viability Report dated May 31, 2017 issued by CARE Advisory Research & Training Limited.
Articles/ Articles of Association	The Articles of Association of Astron Paper and Board Mill Limited, as amended from time to time.
Audit Committee	The Audit Committee as reconstituted vide the Board meeting held on May 29, 2017.
Auditors or Statutory Auditors	M/s S.N Shah & Associates, Chartered Accountants
Board/Board of Directors/ our Board	The Board of Directors of Astron Paper and Board Mill Limited unless otherwise specified or any committee constituted thereof.
Corporate Promoter	Asian Granito India Limited
Group Companies	1 Shreerangam Packaging Private Limited; and 2 Specific Ceramics Limited
Individual Promoters	Mr. Kirit G. Patel, Mr. Ramakant Patel and Mr. Karshanbhai Patel
IPO Committee	The IPO committee constituted by our Board on May 29, 2017
ISIN	International Securities Identification Number. In this case being: INE646X01014.
Key Managerial Personnel (KMP)	Key managerial personnel of our Company in terms of Regulation 2 (1) (s) of the SEBI Regulations and as disclosed in the chapter titled “Our Management” beginning on page 167 of this RHP.
LLC	Limited Liability Company.
MOA/ Memorandum/ Memorandum of Association	The Memorandum of Association of Astron Paper and Board Mill Limited
Nomination and Remuneration Committee	The Nomination and Remuneration Committee was reconstituted on May 29, 2017.
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership Firm, 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.
Promoter(s)	Unless the context otherwise requires, refers to our Corporate Promoter and Individual Promoters, namely Asian Granito India Limited, Mr. Kirit G. Patel, Mr. Ramakant Patel and Mr. Karshanbhai Patel
Promoter Group	Individuals, Companies and entities forming part of our Promoter Group as per clause 2(1)(zb) the SEBI Regulations. For details please see chapter titled “Our Promoters and Promoter Group” beginning on page 181 of this RHP.

Term	Description
	The Promoter Group of our Company does not include Mr. Jagdishbhai Kantibhai Patel, brother of our Promoter, Mr. Ramakant Patel or any entity in which Mr. Jagdishbhai Kantibhai Patel may have interest since he has refused to provide any information pertaining to himself and other entities he may have interest.
Registrar of Companies/ RoC	Office of Registrar of Companies, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat,.
Registered Office/Corporate Office	D-702, 7th Floor, Ganesh Meridian, Opposite:- High Court, S.G. Highway Ahmedabad Gujarat-380060, India
Special Purpose Interim Condensed Ind AS Financial Statements	Special Purpose Interim Condensed Ind AS Financial Statements of our Company for the six month period ended September 30, 2017 prepared in accordance with the recognition and measurement principles of Ind AS

CONVENTIONAL/GENERALTERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended from time to time and/ or the Companies Act, 2013, with the amendments thereto to the extent applicable.
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
Depository/ Depositories	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant/ DP	A Depository Participant as defined under the Depositories Act, 1996.
Equity Shares	The Equity Shares of face value of ₹ 10/- each of Astron Paper and Board Mill Limited.
Indian GAAP	Generally Accepted Accounting Principles in India.
Non Resident	A person resident outside India, as defined under FEMA Regulations, including an Eligible NRI and an FII.
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Quarter	A period of 3 (three) continuous months.
RBI Act	The Reserve Bank of India Act, 1934.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended from time to time.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Regulations/ SEBI ICDR Regulations	Means the regulations for Issue of Capital and Disclosure Requirements issued by Securities and Exchange Board of India, constituted in exercise of powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI Takeover	Securities and Exchange Board of India (Substantial Acquisition of Shares and

Term	Description
Regulations	Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
Shareholders	Shareholders of our Company unless otherwise specified.
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee constituted by our Board of directors as on May 29, 2017.
Stock Exchanges	BSE Limited and the National Stock Exchange of India Limited, referred to as collectively.
Wilful Defaulter	Wilful Defaulter as defined under Section 2 (1)(zn) of the SEBI Regulations

ISSUE RELATED TERMS

Term	Description
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue of the Equity Shares to successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom Allotment is made.
“ASBA” or “Application Supported by Blocked Amount”	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing an SCSB to block the Payment Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Payment Amount specified by an ASBA Bidder.
ASBA Bidder	Any Bidder, in the Issue who Bids through ASBA.
ASBA Form	The application form, whether physical or electronic, by which an ASBA Bidder can make a Bid, authorising an SCSB to block the Payment Amount in the ASBA Account maintained with such SCSB pursuant to the terms of this Red Herring Prospectus.
Bankers to the Company	Banks who have extended credit facilities to our Company i.e. Union Bank of India and State Bank of India.
Bankers to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Public Issue Accounts and Refund Accounts, will be opened and in this case being ICICI Bank Limited and HDFC Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in chapter titled “Issue Procedure” beginning on page 265.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder, pursuant to submission of an ASBA Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto.
Bidder(s)	A prospective investor in the Issue bidding through ASBA, and unless otherwise stated or implied, excludes Anchor Investor.
Bidding	The process of making a Bid.
Bid Amount	In relation to each Bid shall mean the highest value of optional Bids indicated in the Bid cum Application Form blocked in the ASBA Account upon submission of the Bid, which shall be net of Employee Discount for Eligible Employees. However, for Eligible Employees applying in the Employee Reservation Portion and the Retail Individual Bidders applying at the Cut-Off, the Bid Amount shall be Cap Price multiplied by the number of Equity Shares Bid for by such Eligible Employees / Retail Individual Bidders and mentioned in the Bid cum Application Form net of Employee Discount.
Bidding Centres	Centres for acceptance of the Bid-cum-Application Forms and Revision Forms which shall include Broker Centres.
Bid-cum-Application Form	The ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of this Red Herring Prospectus which will be considered as an application for Allotment.
Bid/Issue Closing Date	The date after which the Syndicate, the SCSBs and the Registered Brokers will

Term	Description
	not accept any Bids, and which shall be notified in all editions of Business Standard, which is a widely circulated English and Hindi newspaper; and Ahmedabad edition of Financial Express which is a widely circulated Gujarati newspapers, Gujarati being the regional language of Gujarat, where our Registered Office is located and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. Further, our Company may, in consultation with the BRLM, decide to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date.
Bid/Issue Opening Date	The date on which the Syndicate, the SCSBs and the Registered Brokers shall start accepting Bids, and which shall be the date notified in all editions of Business Standard, which is a widely circulated English and Hindi newspaper; and Ahmedabad edition of Financial Express which is a widely circulated Gujarati newspapers, Gujarati being the regional language of Gujarat, where our Registered Office is located..
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date or the QIB Bid/Issue Closing Date, as the case may be (in either case inclusive of such date and the Bid/Issue Opening Date) during which Bidders can submit their Bids. Provided however that the Bidding/Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bid Lot	[●]
Book Building Process/ Method	The book building process as described in Part A of Schedule XI of the SEBI Regulations.
BRLM	Book Running Lead Manager to the Issue, being Pantomath Capital Advisors Private Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective website of the Stock Exchanges.
BSE	BSE Limited.
Cap Price	The higher end of the Price Band, in this case being ₹ [●], and any revisions thereof, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Collecting Depository Participants/CDPs	A depository participant registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
CAN or “Confirmation of Allocation Note”	Confirmation of Allotment notice <i>i.e.</i> a note or advice or intimation of Allotment of Equity Shares sent to the Bidders to whom Equity Shares have been Allotted.
Financial Information, as restated	Restated financial statements of assets and liabilities as of and for September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and statement of profit and loss and cash flows for the six months period ended September 30, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 for our Company.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under the Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other websites as may be prescribed by SEBI from time to time.
Cut-Off Price	Issue Price, finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders and Eligible Employees under the Employee Reservation Portion are entitled to Bid at the Cut-off Price net of Employee Discount. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The address, PAN, the bank account details, MICR code and occupation of a

Term	Description
	Bidder.
Depository	A depository registered with SEBI under the Depositories Act.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
“Depository Participant” or “DP”	A depository participant registered with SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs with which an ASBA Bidder, not Bidding through Syndicate/ Sub Syndicate or through a Registered Broker, may submit the Bid cum Application Forms, a list of which is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other websites as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Bidders to the Public Issue Account.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
“Designated Stock Exchange” or “DSE”	BSE Limited.
“DRHP” or “Draft Red Herring Prospectus”	The DRHP dated June 19, 2017 filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations.
EBITDA	Revenue from operations (net) less total expenses (expenses other than finance cost, and depreciation and amortisation).
EBITDA Margin	EBITDA divided by revenue from operations (net).
Eligible Employee	<p>All or any of the following:</p> <ul style="list-style-type: none"> (a) permanent and full time employee of our Company and our Corporate Promoter, (excluding such employees who are not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines and the Promoters and their immediate relatives) as of the date of filing of this Red Herring Prospectus with the RoC and who continues to be an employee of our Company and our Corporate Promoter, as the case may be, until the submission of the Bid cum Application Form and is based, working in India as on the date of submission of the Bid cum Application Form; and (b) a Director of our Company, whether a whole time Director or otherwise, (excluding such Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines and the Promoters and their immediate relatives) as of the date of filing this Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form and is based in India as on the date of submission of the Bid cum Application Form. (c) An employee of our Company and Corporate Promoter, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a ‘permanent and a full time employee’. <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate</p>

Term	Description
	basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount).
Employee Discount	Discount of [●] % of the Issue Price, amounting to ₹ [●] per Equity Share, that may be given to the Eligible Employees.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to bid on the basis of the terms thereof.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Employee Reservation Portion	Reservation of upto 7,00,000 Equity Shares, available for allocation to Eligible Employees on a proportionate basis aggregating upto ₹ [●].
Equity Shares or Ordinary Shares	The ordinary shares of our Company having a face value of ₹ 10/-, unless otherwise specified in the context thereof.
Escrow Agreement	Agreement dated November 15, 2017 between our Company, the Registrar to the Issue, Bankers to the Issue and the BRLM for the collection of Payment Amounts, if any, in respect of the ASBA Bidders on the terms and conditions thereof.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or the ASBA Form or the ASBA Revision Form.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being ₹ [●], and any revisions thereof.
Issue/ Issue Size/ Public Issue	Public issue of upto 1,40,00,000 equity shares of ₹ 10/- each of the Company for cash at a price of ₹ [●] per equity share (including a premium of ₹ [●] per equity share) aggregating upto ₹ [●] Lakhs (the “ Issue ”) aggregating to ₹ [●]. The Issue comprises a reservation of upto 7,00,000 Equity Shares aggregating upto ₹ [●] for subscription by Eligible Employees (as defined herein) (the “ Employee Reservation Portion ”).
Issue Agreement	The agreement entered into on June 19, 2017 among our Company and the BRLM.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the BRLM. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors, and with respect to Eligible Employees, shall mean the Issue Price net of the Employee Discount.
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds kindly refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 98 of this RHP.
Listing Agreements	Listing agreement to be entered into by our Company with each of the Stock Exchanges.
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares available for allocation to Mutual Funds only.
Net Proceeds	Proceeds from the Issue after deduction of Issue expenses.
Net Issue	The Issue less the Employee Reservation Portion.
Non-Institutional Bidders	All Bidders (including Sub-Accounts of FIIs which are foreign corporates or foreign individuals but not including NRIs, other than Eligible NRIs) that are not QIBs or Retail Individual Bidders who have Bid for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Issue being not less than 55% of the Net Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis.
NSE	National Stock Exchange of India Limited
OCB / Overseas	A company, partnership, society or other corporate body owned directly or

Term	Description
Corporate Body	indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCB are not allowed to invest in this Issue.
Payment Amount	In the case of QIBs and Non-Institutional Bidders, the Bid Amount, and in case of Retail Individual Bidders/Eligible Employees, the Bid Amount less the Employee Discount.
Price Band	The price band as determined by our Company, in consultation with the the BRLM with minimum price being the Floor Price and the maximum price being the Cap Price, including any revisions thereof and advertised in all editions of Business Standard, which is a widely circulated English and Hindi newspaper; and Ahmedabad edition of Financial Express which is a widely circulated Gujarati newspapers, Gujarati being the regional language of Gujarat, where our Registered Office is located,, at least five Working Days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which the Issue Price is decided by our Company, in consultation with the the BRLM.
Prospectus	The Prospectus to be filed with the Register of Companies after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	The bank account opened with the Public Issue Account Banks by our Company under Section 40 of the Companies Act, 2013, to receive money from the ASBA Accounts on the Designated Date.
Public Issue Account Banks	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Offer) Regulations, 1994 with whom the Public Issue Account(s) will be opened and in this case being ICICI Bank Limited and HDFC Bank Limited.
“QFIs” or “Qualified Foreign Investors”	<p>Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet ‘know your client’ requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organization of Securities Commission’s Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.</p>
“QIBs” or “Qualified Institutional Buyers”	A qualified institutional buyer as defined under Regulation 2(1)(zd) of SEBI Regulations.
QIB Bid/Issue Closing Date	In the event our Company, in consultation with the BRLM, decides to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date, the date one Working Day prior to the Bid/Issue Closing Date; otherwise it shall be the same as the Bid/Issue Closing Date.
QIB Portion	The portion of the Issue being 10% of the Net Issue or [●] Equity Shares available for allocation to QIBs on a proportionate basis.
“Red Herring Prospectus” or “RHP”	<p>This Red Herring Prospectus dated December 5, 2017, issued by our Company in accordance with Section 32 of the Companies Act and the SEBI Regulations, which does not contain, <i>inter-alia</i>, complete particulars of the price at which the Equity Shares would be offered.</p> <p>This Red Herring Prospectus has been registered with the RoC at least three days</p>

Term	Description
	before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The Account opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made
Refund Bank(s)/Refund Banker(s)	The Bankers to the Issue with whom the Refund Accounts will be opened, in this case being ICICI Bank Limited and HDFC Bank Limited.
Registered Broker(s)	Broker(s) registered with the stock exchanges having its office at any of the Registered Broker Centres and shall not include Syndicate and sub-Syndicate members.
Registered Broker Centres	Broker centres as notified by the Stock Exchanges, where Bidders can submit the Bid-cum-Application Forms to a Registered Broker. The details of such broker centres are available on the websites of BSE and NSE at http://www.bseindia.com/ and http://www.nseindia.com/ , respectively.
“Registrar” or “Registrar to the Issue”	Link Intime India Private Limited
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Restated Financial Information	Collectively, our Company’s Financial Information, as restated.
Retail Individual Bidders	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders, to modify the quantity of Equity Shares or the Payment Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable.
“Self Certified Syndicate Banks” or “SCSBs”	The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available on the SEBI website at the link http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , and at such other websites as may be prescribed by SEBI from time to time. For details of the Designated Branches with which ASBA Forms can be physically submitted, please refer to the above-mentioned link.
Syndicate	The BRLM and the Syndicate Members.
Syndicate Agreements	The agreements dated November 15, 2017 between our Company, the BRLM and members of the Syndicate, in relation to the collection of Bids (excluding Bids from ASBA Bidders procured directly by SCSBs).
Syndicate ASBA	A Bid submitted by an ASBA Bidder through the members of the Syndicate or their respective sub-Syndicate members at the Syndicate ASBA Centres instead of the Designated Branches.
Syndicate ASBA Centres	The bidding centres of the members of the Syndicate or their respective sub Syndicate.
Syndicate Members	Pantomath Stock Brokers Private Limited; Rikhav Securities Limited; Choice Equity Broking Private Limited; Sykes And Rays Equities (I) Limited; Ajmera Associates Limited and Nirmal Bang Securities Private Limited.
“Transaction Registration Slip” or “TRS”	The slip or document issued by any member of the Syndicate, the SCSBs or the Registered Brokers, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters and our Company on or immediately after the Pricing Date.
Working Days	All days, other than Sunday or a public holiday on which commercial banks are

Term	Description
	<p>open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.</p> <p>For the purpose of the time period between the Bid Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days excluding second and fourth Saturdays, Sundays and bank holidays in India, in accordance with SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010 and notification F. No.4/1/7/2015-IR dated August 20, 2015 issued by the Department of Financial Services, Ministry of Finance, Government of India.</p>

INDUSTRY RELATED AND TECHNICAL TERMS

Term	Description
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
BF	Burst Factor
BREXIT	The United Kingdom's withdrawal from the European Union (EU), commonly called "BREXIT"
BRLM	Book Running Lead Manager
CAGR	Compound Annual Growth Rate
CARE	CARE Advisory Research and Training Limited
CARE Advisory	A Division of CARE Advisory Research and Training Limited
CSO	Central Statistics Office
DISCOM	Distribution Companies of India
EMDEs	Emerging Market and Developing Economies
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FICCI	The Federation of Indian Chambers of Commerce and Industry
FIPB	Foreign Investment Promotion Board
FMCG	Fast Moving Consumer Goods
FSC	Forest Stewardship Council
FY	Financial Year
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GSM	Grams per Square Meter
GST	Goods and Services Tax
GVA	Gross Value Added
HTC	HTC Corporation
IBEF	India Brand Equity Foundation
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupees
IPMA	Indian Paper Manufacturers Association
LCD	Liquid Crystal Display
MAT	Minimum Alternate Tax
M-SIPS	Modified Special Incentive Package Scheme
MSMEs	Micro, Small & Medium Enterprises
MT	Million Tonne
MYEA	Mid-Year Economic Analysis
NCC	New Corrugated Cuttings
NITI Aayog	The National Institution for Transforming India
NMP	National Manufacturing Policy

Term	Description
OCC	Old Corrugated Cuttings
PMGKY	Pradhan Mantri Garib Kalyan Yojana
PMMY	Pradhan Mantri MUDRA Yojana
RBI	Reserve Bank of India
SAD	Special Additional Duty
SED	Strategic Engineering Division
SEZ	Special Economic Zone
TADF	Technology Acquisition and Development Fund
TASL	Tata Advanced Systems Ltd
UDAY	Ujwal DISCOM Assurance Yojana Scheme
UNIDO	United Nations Industrial Development Organisation
US/ U.S./ USA	United States of America
WEO	World Economic Outlook
WPI	Wholesale Price Index
YOY	Year-on-year

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting.
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS/ Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
ASBA	Applications Supported by Blocked Amount.
CAGR	Compound Annual Growth Rate.
CAN	Confirmation of Allocation Note.
CDSL	Central Depository Services (India) Limited.
CENVAT	Central Value Added Tax.
CIN	Corporate Identification Number.
Client ID	Client identification number of the Bidder's beneficiary account.
DB	Designated Branch.
DIN	Director's Identification Number.
DP	Depository Participant.
DP ID	Depository Participant's Identification Number.
EGM	Extraordinary General Meeting of the shareholders.
EPS	Earnings per Equity Share.
FCNR Account	Foreign Currency Non Resident Account.
FEMA Regulations	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder.
FBT	Fringe Benefit Tax.
FDI	Foreign Direct Investment.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FPI	Foreign Portfolio Investors (as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time] registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board.
FIs	Financial Institutions.
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.

Abbreviation	Full Form
FY	Financial Year.
GAAP	Generally Accepted Accounting Principles.
GBS	Gross Budgetary Support.
GDP	Gross Domestic Product.
GIR Number	General Index Registry Number.
GoI / Government	Government of India.
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
ICDS	Income Computation and Disclosure Standards
IMF	International Monetary Fund.
Ind AS	Indian Accounting Standards prescribed under Section 133 of Companies Act, 2013 as notified under Companies (Indian Accounting Standard) Rules, 2015.
Ind AS Rules	Companies (Indian Accounting Standard) Rules, 2015
INR	Indian National Rupee.
IPO	Initial Public Offering.
IT Act	Income-tax Act, 1961, as amended.
Ltd.	Limited.
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992.
MM	Milli Metre.
NR	Non-Resident.
NRE Account	Non Resident (External) Account.
NRI	Non-Resident Indian.
NRO Account	Non Resident (Ordinary) Account.
NSDL	National Securities Depository Limited.
OCB	Overseas Corporate Body.
p.a.	Per annum.
P/E Ratio	Price / Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
RBI	The Reserve Bank of India.
RoNW	Return on Net Worth.
R&D	Research & Development.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SCSB	Self Certified Syndicate Bank.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985.
STT	Securities Transaction Tax.
SME	Small and Medium Enterprises.
SPV	Special Purpose Vehicle.
Sq. ft.	Square feet.
Sq. mt.	Square metre.
TAN	Tax Deduction Account Number.
TIN	Taxpayers Identification Number.
TRS	Transaction Registration Slip.
UoI	Union of India.
U.S./ United States/ USA	United States of America.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.

Abbreviation	Full Form
USD/ US\$	United States Dollar.
VAT	Value Added Tax.
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
WDV	Written Down Value.
w.e.f.	With effect from.
YoY	Year on Year.

SECTION II – GENERAL

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

Unless otherwise specified or the context otherwise requires, all references to “India” in this RHP 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 RHP are to the page numbers of this RHP.

Financial Data

Unless stated otherwise, the financial information in this RHP is derived from Restated Financial Information and the related notes, schedules and annexures thereto included elsewhere in this RHP, which have been prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI Regulations, as stated in the reports of our Auditor. Further, Special Purpose Interim Condensed Ind AS Financial Statements which have been prepared in accordance with the recognition and measurement principles of Ind AS have also been disclosed in this Red Herring Prospectus.

In this RHP, any discrepancies in any table between 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 and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this RHP.

Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2017), are to the Financial Year ended March 31 of that particular year.

Throughout this RHP, all the figures have been expressed in Million of rupees, or in whole numbers, unless stated otherwise. One million represents 1,000,000.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS; accordingly, the degree to which the Indian GAAP financial statements included in this RHP will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies, Indian GAAP, the Companies Act and the SEBI Regulations. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided in this RHP. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this RHP should accordingly be limited. We have not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data included in this RHP. For details, see *“Risk Factors – Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may be negatively affected by such transition”* on page 37 of this RHP.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 17, 143 and 195 respectively, of this RHP, and elsewhere in this RHP have been calculated on the basis of the audited Financial Information, as restated of our Company.

Important Note on Introduction of Ind AS and its Impact on Preparation and Presentation of our Historical and Future Financial Statements

The Ministry of Corporate Affairs, Government of India (“MCA”) notified the Companies (Indian Accounting Standards) Rules, 2015 (“**Ind AS Rules**”) on February 16, 2015 providing a revised roadmap on implementation of Indian Accounting Standards (“**Ind AS**”) which stipulates implementation of Ind AS in a phased manner beginning from accounting period 2016 – 2017 (“**MCA Roadmap**”).

In accordance with the MCA Roadmap, Ind AS has become applicable to our Company starting April 1, 2017. Given that Ind AS differs in many respects from Previous Indian GAAP, our financial statements under Companies Act, 2013 relating to any period subsequent to April 1, 2017 (and for any prior comparative periods)

may not be comparable to our historical financial statements prepared under Previous Indian GAAP. There can be no assurance that the adoption of Ind AS will not materially affect the preparation and presentation of our financial statements in the future. In addition, there can be no assurance that if Ind AS were to be applied to our historical financial statements prepared under Previous Indian GAAP, there will not be material differences in applicable accounting policies and standards that will require material adjustments to our historical financial statements prepared under previous Indian GAAP.

We have prepared Special Purpose Interim Condensed Ind AS Financial Statements. The Special Purpose Interim Condensed Ind AS Financial Statements include a reconciliation between certain financial information prepared in accordance with previous Indian GAAP with financial information prepared under Ind AS, in accordance with applicable accounting standards. Our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements. For further information, see “*Risk Factors – Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may be negatively affected by such transition*”, “Summary of Significant Differences between previous Indian GAAP and Ind AS” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Recent Accounting Pronouncements” from pages 37, 211 and 195, respectively. Further, Ind AS differs from IFRS and US GAAP.

Currency of Presentation

Unless the context otherwise requires, all references to “Rupees” “₹” and “Rs.” in this RHP are to the official currency of India. All references to “US\$”, “USD” or “US Dollars” are to United States Dollars, the official currency of the United States of America. All references to “Euro” or “€” are to Euros, the official currency of the European Union.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

Currency	Six Months Period	Financial Year ended				
		2017	2016	2015	2014	2013
	September 30, 2017					
USD*	65.35	64.83	66.33	62.59	60.10	54.39

*Source: rbi.org.in

In case March 31 of any of the respective years or September 30, 2017 is a public holiday, the previous working day has been considered.

Market and Industry Data

Unless stated otherwise Market and industry data used in this RHP has been obtained or derived from publically available information as well as various industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this RHP is reliable, it has not been independently verified by us or the BRLM or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this RHP is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data

gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors including those discussed in section titled “Risk Factors” on page 17 of this RHP. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI Regulations, we have included in the chapter “Basis for the Issue Price” on page 111 of this RHP, information pertaining to the peer group companies of our Company. Such information has been derived from publicly available data of the peer group companies.

Additionally, certain industry related information in the chapters titled “*Summary of Industry*”, “*Summary of Business*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 43, 59, 116, 143 and 195, respectively, of this RHP, has been derived from an industry report titled “Research Report on Kraft Paper for Astron Paper & Board”, prepared by CARE Advisory.

FORWARD LOOKING STATEMENTS

This RHP contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “contemplate”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to result”, “objective”, “plan”, “project”, “seek to”, “should”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Reduction in demand for our products;
- Foreign exchange fluctuations;
- Competition in our industry;
- Changes in laws, regulations and taxes; and
- Our inability to retain our management team and skilled personnel.

For a further discussion of factors that could cause our actual results to differ from the expectations, please refer section titled “Risk Factors” beginning on page 17 of the Red Herring Prospectus, and chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 143 and 195, respectively of this RHP. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated. We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, the Directors, nor the BRLM, the members of the Syndicate nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI Regulations, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI Regulations, the Company may be required to undertake an annual updation of the disclosures made in the Red Herring Prospectus/ Prospectus and make it publicly accessible in the manner specified by SEBI.

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 Issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

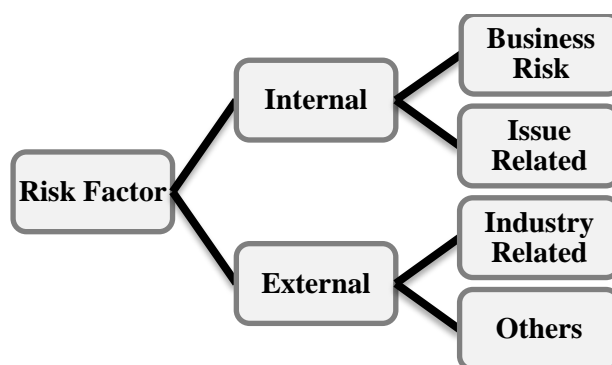
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 143, “Industry Overview” beginning on page 116 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 195 respectively, of this Red Herring Prospectus as well as other financial information contained herein.

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

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 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.

The risk factors are classified as under for the sake of better clarity and increased understanding:



Internal Risk Factors

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

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

Mentioned below are the details of the proceedings pending against our Company, Group Companies, and Corporate Promoter as on the date of this Red Herring Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on May 01, 2017:

Litigations filed by our Company / Promoters/Group Companies:

Sr. No.	Nature of Cases		No. of outstanding cases	Amount to the extent quantifiable (in ₹ Million)(1)
(I) Litigations filed against our Company				
1.	Tax	Income Tax	2	Unascertainable
(II) Litigations filed by our Company				
1.	Criminal		2	0.50
2.	Others	Civil Suit	1	0.56
3.	Tax	Income Tax	2	0.83
		CENVAT	1	5.29
(III) Litigations filed against our Promoter				
1.	Tax	Income Tax	7	297.95
		Central Excise	1	252.71
		Value Added Tax	2	Unascertainable
		Customs Duty	1	40.99
(IV) Litigations filed by our Promoter				
1.	Criminal		156	110.48
2.	Tax	Sales Tax	2	6.47
3.	Other	Civil Suits	17	10.15
(V) Litigations filed by our Group Companies				
1.	Tax	Income Tax	2	0.06

⁽¹⁾ *The amounts mentioned above may be subject to additional interest rates/ penalties being levied by the concerned authorities for delay in making payment or otherwise. Amount of interest/penalty that may be levied is unascertainable as on the date of this Red Herring Prospectus.*

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

Further, in addition to the aforesaid table, fines have been imposed and compounding of offences for default have been levied on our Individual Promoters the details of such cases and the cases filed by and against our Company, Group Companies and Promoters, please see the chapter titled "Outstanding Litigation and Material Developments" beginning on page 218 of this Red Herring Prospectus.

2. ***Our Statutory auditors have included certain observations and emphasis of matters on certain matters which include delay in payment of statutory dues, delay in repayment of loans non maintenance of fixed assets register, etc. in their auditor's reports.***

Our statutory auditors for financial years 2017 and 2016 have provided certain emphasis of matter in their auditor's reports. Further the statutory auditors of our Company for each of these periods have also reported certain observations in their reports on the Companies (Auditors Report) Order, 2003 (to extent applicable) and Companies (Auditors Report) Order, 2015. These matters include delay in payment of statutory dues, delay in repayment of loans non maintenance of fixed assets register, etc. For details on emphasis of matter and steps taken by our Company, please refer chapter titled "Financial Statements, as restated" beginning on page 194 of the Red Herring Prospectus. Investors should consider the same in evaluation of our financial position, results of operation and cash flows.

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

In the past, there have been some instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by RoC. Except as mentioned in this Red Herring Prospectus, till date, there has been no penalty levied on the Company for such delays/defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company or its Directors / Officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

4. ***A portion of the proceeds of the Issue will be utilized for repayment / pre-payment of certain loans availed by our Company from our Group Company, Shreerangam Packaging Private Limited.***

One of the Objects of the Issue is for repayment / pre-payment of certain loans aggregating to ₹ 8.27 million against total outstanding of ₹ 10.93 million as on November 14, 2017, availed by our Company from our Group Company, Shreerangam Packaging Private Limited at rate of 12.00% interest p.a. The funds were utilised by our Company for working Capital and Capital expenditure. For further details, please see the chapter titled "Objects of the Issue" beginning on page 98 of this Red Herring Prospectus.

5. ***Our historical revenues have been significantly dependent on few customers. The loss of one or more of our significant customers or significant reduction in production and sales of, or demand for our product from our significant customers may adversely affect our business, financial condition, result of operations and cash flows.***

A significant proportion of our revenues have historically been derived from a limited number of customers. Over the last three Financial Years, our top ten customers contributed 65.14%, 61.75% and 63.28% of our total revenue from operations for Financial Year 2017, 2016 and 2015 respectively and 60.06% of our total revenue from operations for period ended September 30, 2017. Over the last three Financial Years, our top five customers contributed 49.38%, 45.27% and 46.14% of our total revenue from operations for Financial Year 2017, 2016 and 2015 respectively and 42.53% of our total revenue from operations for period ended September 30, 2017. The loss of orders from any of these significant customers will result in a considerable reduction in our revenue. Our business from customers is dependent on our continuing relationship with such customers, the quality of our products, competitive pricing and our ability to timely deliver on their orders, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all. If our customers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Significant dependence on them may increase the potential volatility of our results of operations and exposure to individual contract risks. In the event that any of these customers discontinue purchase of products from us, our results of operations and financial condition may be adversely affected.

6. ***The Company is yet to place orders for 21. 64% of its plant & machinery for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machinery may delay our implementation schedule and may also lead to increase in price of these plant & machinery, further affecting our revenue and profitability.***

As on date of the Red Herring Prospectus, we have placed orders for plant & machinery amounting Rs. 141.20 million and have made advance payment of Rs. 11.39 million towards the same out of internal accruals. Further, we have identified the type of plant and machinery required to be bought for our proposed manufacturing facility, and for which orders are yet to be placed which are amounting to Rs.39.00 million as detailed in the “Objects of the Issue” beginning on page 98 of this Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of equipments, among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse affect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 98 of this Red Herring Prospectus.

7. ***We generate our major portion of sales from our operations in certain geographical regions especially Gujarat, Madhya Pradesh and Rajasthan. For the year ended March 31, 2017, and September 30, 2017 our Company generated 64.96% and 77.31% respectively of our net revenue from manufacturing operations, cumulatively from these three states. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

We generate major sales from our customers situated at Gujarat, Madhya Pradesh and Rajasthan. For the year ended March 31, 2017, and September 30, 2017 our Company generated 64.96% and 77.31% respectively of our net revenue from manufacturing operations, cumulatively from these three States. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in Gujarat, Madhya Pradesh and Rajasthan region to expand our operations in other parts of India and overseas markets, should we decide to further expand our operations. Factors such as competition, regulatory regimes, business practices, culture and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside Gujarat, Madhya Pradesh and Rajasthan market may adversely affect our business prospects, financial conditions and results of operations. However, our Company at present is supplying goods on pan India basis and has started strengthening its customer base in other regions such as Uttaranchal, Dadra and Nagar Haveli, Himachal Pradesh, Maharashtra, etc but we are yet to scale our operations in these regions. While our management believes that the Company has requisite expertise to mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

8. ***Any significant decline in the demand for our products i.e. Kraft paper or introduction of alternative technology or consumer habits may adversely affect our profitability and business prospects.***

Our product Kraft paper is mainly used in the packaging industry. Our customers’ decision to seek alternative technology coupled with the development of more alternatives and our inability to respond to these changes, may adversely affect our business and results of operations. Our ability to anticipate changes in technology and to supply new and enhanced products successfully and on a timely basis will be a significant factor in our ability to grow and to remain competitive. In addition, our business, operations and prospects may be affected by various policies and statutory and regulatory requirements and developments that affect our customer’s industry in India. In the event of a significant decline in the demand for our products i.e. Kraft paper, our business, results of operations and financial condition may be materially and adversely affected.

9. ***We are mainly dependent on imports for supply of our major raw material; i.e. waste paper.***

Our Company meets its demand of raw material i.e. waste paper by importing the same mainly from the

United States of America, United Kingdom, Central Europe, Middle East, etc. For the year ended March 31, 2017 and September 30, 2017, our imported waste paper consumption was around 96.81% and 99.78% respectively of our total waste paper consumption. Over dependence on imports and lack of back-up arrangements from Indian suppliers may adversely affect our profitability in case the trade relations of India with any of these countries get strained in the future or the suppliers face any sort of problems due to internal issues of their countries. Also, the exchange rate between the Indian Rupee and currencies of the countries from where the waste paper is imported may fluctuate and adversely affect our results of operations. Depreciation of the Indian rupee against the U.S. Dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of our products. Volatility in the exchange rate may negatively impact our cost of operations and operating results.

10. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and paper industry contained in this Red Herring Prospectus.*

While facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and the paper industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled ‘*Industry Overview*’ beginning on page 116 of this Red Herring Prospectus. Due to possibly flawed or ineffective data 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 elsewhere 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 the case may be, elsewhere.

11. *We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.*

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled “*Key Industry Regulations and Policies*” and “*Government and Other Statutory Approvals*” at pages 155 and 232 respectively of this Red Herring Prospectus.

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

Our financial statements are presented in Indian Rupees. However, our cost of raw materials consumed and finance charges are influenced by the currencies of geographies from where we import our raw material. The exchange rate between the Indian Rupee and these currencies, primarily the USD, has fluctuated in the past and our results of operations and cash flows have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. As a significant part of our raw materials is imported, we believe that our cost of raw material may rise during a sustained depreciation of the Indian Rupee against the USD. We may, therefore, suffer losses on account of foreign currency fluctuations for sale of

our products since may not be able to pass on all losses on account of foreign currency fluctuations to our customers.

While we currently hedge some of our foreign currency exchange risks by entering into forward exchange contracts and seek to hedge some of our future transaction by entering into similar transactions, any amount that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses that we may incur due to such fluctuations. As on September 30, 2017, our total unhedged foreign currency payables amounted to USD 1.12 million and the total value of our outstanding forward exchange contracts amounted to USD2.36 million.

13. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.

Our contingent liabilities as on September 30, 2017 is as under:

(₹ in million)

Sr. No.	Particulars	As at September 30, 2017
1.	Bank Guarantee to PGVCL As Security Deposit for Electricity Supply	13.53
2.	CENVAT Credit Disallowed and Penalty Thereon	5.29
3.	Income Tax Liabilities	0.82
	Total	19.65

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled “Financial Statements, as restated” on page 194 of this Red Herring Prospectus.

14. Delay in schedule of the setting up of additional manufacturing facility may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.

In the past our Company has faced time and cost overrun in setting up of its projects. For further details, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 163. Our Company is currently proposing to set up an additional manufacturing facility for production of kraft paper with a lower GSM ranging from 80 to 180 GSM and lower BF ranging from 12 B.F to 20 B.F. For further details regarding to our proposed manufacturing facility, please refer the chapter titledour "Objects of the Issue" on page 98 of this Red Herring Prospectus. We may face risks relating to the commissioning of our additional manufacturing facility for production of kraft paper with a lower GSM ranging from 80 to 180 GSM and lower BF ranging from 12 B.F to 20 B.F including delays to construction timetables, failure to complete the projects within our estimated budget, failure of our contractors and suppliers to adhere to our specifications and timelines, and changes in the general economic and financial conditions in India and other jurisdictions in which we operate. We have limited control over the timing and quality of services, equipment or other supplies from third party contractors and/or consultants appointed by us, and we may be required to incur additional unanticipated costs to remedy any defect or default in their services or products to ensure that the planned timelines are adhered to. Further as and when we commission our planned manufacturing facilities, our raw material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls to our new units as well as in realigning our management and other resources and managing our consequent growth.

In the event that the risks and uncertainties discussed above or any other unanticipated risks, uncertainties, contingencies or other events or circumstances limit or delay our efforts to use the Net Proceeds to achieve the planned growth in our business, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of your investment in our Equity Shares.

15. The shortage or non-availability of power and water facilities may adversely affect our paper manufacturing process and have an adverse impact on our results of operations and financial condition.

Our paper manufacturing process requires substantial amount of power and water facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital

expenditure and per unit cost of electricity produced is very high. To meet our electricity requirements, we have entered into a power supply agreement with Paschim Gujarat VIJ Company Limited for availing Load Extension for Connection of $1900 + 1000 = 2900$ KVA HT on August 2, 2016. The said agreement is valid for a period of 2 (two) years from the date of commencement of the supply of electricity i.e. November 18, 2016. Further our Company has also installed captive power plant at our manufacturing facility to generate electricity with a capacity to generate electricity upto 3000KVA. To battle electricity failures, we also have diesel generator to meet exigencies at our facility, however, we cannot assure you that our facility will be operational during power failures. Further our manufacturing process also requires substantial amount of water. Water is majorly required in pulping process for slushing of paper to make slurry. We currently source our water requirement from borewells and water tankers. We have not made any alternate arrangements for supply of water for our manufacturing facilities. Any disruption / non availability of power or water or any failure on our part to arrange alternate sources of electricity and water supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on operations and results of our Company.

16. The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Paper industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. We have also employed contract labour at our manufacturing facility. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

17. Our business prospects and continued growth depends on our ability to access financing at competitive rates and competitive terms, which amongst other factors is dependent on our credit rating. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates for our growth plans and cannot assure that we will obtain the desired credit ratings of our Company, in the future, which could have a material adverse effect on our business, results of operations and financial condition.

Our business depends on our ability to obtain funds at competitive rates. The cost and availability of capital, amongst other factors, is also dependent on our current and future results of operations and financial condition, our ability to effectively manage risks, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to have favourable results of operations. Any downgrade made to our credit ratings could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business.

18. Volatility in the supply and pricing of our raw materials may have an adverse effect on our business, financial condition and results of operations.

The principal raw material used in our manufacturing process is waste paper. In addition to waste paper, we also require certain chemicals for carrying out our manufacturing process. The costs of waste paper and chemical consumed for the financial year ended March 31, 2017 constituted 91.34% and 8.66% and for the period ended September 30, 2017 constituted 91.11 % and 8.89% respectively of the total cost of raw

materials consumed. We majorly source our waste paper requirement through imports. For the year ended March 31, 2017 and for the period ended September 30, 2017, our imported waste paper consumption was around 96.81% and 99.78% respectively of our total waste paper consumption. With respect to chemicals, we procure all such chemicals from third party suppliers in India at spot rate.

We do not have long term agreements with any of our raw material suppliers and we purchase such raw materials on spot order basis. Our top 10 suppliers for the period ended September 30, 2017 have contributed 73.42 % and for the year ended March 31, 2017, March 2016 and March 2015 have contributed 62.45%, 64.83% and 66.57 respectively, of our total purchases. While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

Further, there may be volatility in prices of our raw material and if we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows. Additionally, we may not be able to pass on every instance of increase in input cost and may have to pursue internal cost control measures.

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

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

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

20. *Our Company is dependent on third party transportation providers, with whom we have no formal arrangements, for the delivery of our raw materials and goods and any disruption in their operations or a decrease in the quality of their services or an increase in the transportation costs could adversely affect our Company's reputation and results of operations.*

We primarily depend on sea borne freight to deliver our raw material from foreign countries. Such logistics providers are arranged on spot basis and in certain cases may not be insured for the full value of the load that they are carrying. We also rely on third parties logistic service providers, with whom we have no formal arrangement, to provide rail, trucking and other transportation facilities for the transfer of raw materials to our manufacturing facilities and the supply of finished products to our customers. These transportation facilities may not be adequate to support our existing and future operations and there may be disruptions of transportation and logistics services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and seaport facilities. Also we do not own any trucks or commercial transport vehicles and primarily use third-party logistic providers for all of our product distribution and input materials procurement. Further, we primarily undertake our import activities from Mundra Port located at Gujarat and are therefore heavily dependent on the smooth functioning of the Mundra Port. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities

would significantly impact our costs and results of our operations. Any disruption of any of our transportation routes or facilities may adversely affect our business, financial condition, results of operations and cash flows.

21. *Our Company had participated in the Public E-Auction for the sale of Property on November 30, 2017 and the bid of our Company has been accepted. Our Company is required to pay balance 75% of the bid amount being Rs. 6,11,25,000/- within 15 days from the day of auction. In case of default in payment of said amount, the transaction will be cancelled and the amount already paid will be forfeited, thereby affecting the financial conditions of our Company.*

Our Company has participated in the Public E-Auction on November 30, 2017 held by Union Bank of India, Bhuj Branch, Gujarat under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 for the sale of Property consisting of Factory Land admeasuring area 17600 square metres with building and installed machineries at village Chubdak, Anjar-Bhuj Highway, Tal Bhuj owned by M/S Eco Green Paper Product Private Limited. Union Bank of India, Bhuj; vide letter dated November 30, 2017, has accepted the bid of our Company of Rs. 8.15 Crores, being the highest bid in the auction to acquire the said property as mentioned above. Our Company has already paid an amount of Rs. 81 Lakhs on November 27, 2017 towards Earnest money Deposit (“EMD”). As per the terms of auction, our Company was required to pay 25% of the bid amount of Rs. 8.15 crores on the day of auction, which was November 30, 2017. Accordingly, our Company has duly deposited the same being Rs.1,22,75,000/- less the EMD. Further, Union Bank of India has directed our Company to pay balance 75% of the bid amount being Rs. 6,11,25,000 within 15 days from the day of auction. Failure of our Company in making the payment as mentioned above within the stipulated time, the transaction of auction sale will be cancelled and the amount already paid will be forfeited, thereby adversely affecting the financial conditions of our Company. Our Company may also opt for borrowings from the Bank to finance the completion of said transaction. Failure to arrange balance amount of Rs. 6,11,25,000 within 15 days from the day of auction will have adverse material impact on our business and financial conditions.

Further, the property has been auctioned to our Company on “as is where is basis whatever there is and without recourse basis and the said sale is without any warranties or indemnities. Further, Union Bank of India is not aware of any encumbrances in respect of the property. Accordingly, there can be no assurances that the Company will not be required face any claims or disputes arising in respect of the property. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. The success of our business through this acquired property and machineries depends substantially on our ability to obtain requisite approvals as also to implement our business strategies effectively. Even though we have executed auction transaction, there is no guarantee that we can complete the same on time and within the estimated budget going forward, or that we will be able to utilise the capacity fully. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies or materialise the benefits of the transaction would have a material adverse effect on our business and results of operations. Further, our Company is yet to apply for necessary government and statutory approvals required for operating from the said acquired property. Any failure or delay in obtaining such approvals or renewal of the same in a timely manner may adversely affect our future operations.

22. *Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.*

Our business requires a significant amount of working capital for smooth functioning. We meet our requirement for working capital majorly through banking facilities or internal accruals. In future, our inability, if any to meet our working capital requirements or inability to renew our existing working capital requirements through banking arrangements can adversely impact our business operations and financial position. For further details regarding working capital requirement, please refer to the chapters titled “Objects of the Issue” and “Management’s Discussion and Analysis of Financial Condition and Results of

Operation” beginning on pages 98 and 195 of this Red Herring Prospectus”

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables and inventories. Summary of our working capital position is given below:-

Amount (₹ in million)

Particulars	As at September 30, 2017	As at March 31,				
		2017	2016	2015	2014	2013
A. Current Assets						
Current Investments	-	-	0.53	-	-	-
Inventories	415.23	423.64	352.87	341.61	230.06	142.66
Trade Receivables	464.38	349.28	371.41	285.45	284.24	150.53
Cash and Cash Equivalents	62.17	60.60	52.98	33.54	28.23	69.99
Short Term Loans & Advances	69.53	89.35	58.79	41.75	48.82	79.03
Other Current Assets	-	-	0.16	0.16	0.24	-
B. Current Liabilities						
Trade Payables	250.13	252.31	219.43	175.76	155.93	135.78
Other Current Liabilities	89.57	105.61	105.67	99.63	95.78	84.48
Short Term Provisions	18.63	18.63	13.39	9.82	-	-
Working Capital (A-B)	652.98	546.32	498.25	417.30	339.88	221.95
Inventories as % of total current assets	41.06%	45.90%	42.17%	48.63%	38.89%	32.26%
Trade receivables as % of total current assets	45.92%	37.85%	44.39%	40.63%	48.05%	34.04%

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of current assets particularly trade receivables and inventories. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapters titled “Objects of the Issue” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” beginning on page 98 and 195 respectively, of this Red Herring Prospectus.

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

Modernization and technology upgradation is essential to provide better products. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations.

24. Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Our secured debt has been availed at floating rates of interest. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled *Financial Indebtedness* beginning on page 215 of this Red Herring Prospectus.

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

Our paper manufacturing facility is located at, Halvad, Gujarat. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing

facility is also susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities.. In past, there have been two instances where our facility met with a fire situation. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties.

If our Company experiences delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business. Further, the spiraling cost of living around our manufacturing facilities may push our manpower costs higher, which may reduce our margin and cost competitiveness.

26. Underutilization of capacity of our additional manufacturing facility may adversely affect our business, results of operations and financial condition.

We propose to set up an additional manufacturing facility with installed capacity of 33,000 MTPA. We will incur significant capital expenditure on setting up the same. We cannot assure that we shall be able to utilize our proposed manufacturing facility to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition. Even use of the proposed production capacity is subject to several variables like availability of raw material, power, water, proper working of machinery, orders on hand, supply/demand, manpower, etc.

While setting-up of our additional manufacturing facility we would take into consideration all the factors required for optimum utilization of installed capacity, there cannot be any assurance that the proposed capacity would be utilized to its full extent.

27. We have referred to the data derived from industry report commissioned from the Care Advisory Research & Training Limited.

We have retained the services of an independent third party research agency, Care Advisory Research & Training Limited, to prepare a report on the kraft paper industry, excerpts from which have been included in this Red Herring Prospectus. The report prepared by Care Advisory Research & Training Limited is subject to various limitations and based upon certain assumptions that are subjective in nature. There can be no assurance that the assumptions adopted by this third party agency for the purposes of preparing their research report will prove to be accurate. If any of these assumptions are incorrect, the understanding of the kraft paper industry could be materially different from that set forth in the reports.

28. We do not generally enter into agreements with our raw material or traded goods suppliers. Any disruption in supplies from them may adversely affect our production process.

We have no formal agreement entered into with our raw material or traded goods suppliers. Though we maintain good relations with them, there can be no assurance that we shall be able to continue such relations with any or all of them. Any disruption in supplies from these parties may require us to find additional suppliers. There can be no assurance that we shall be able to find additional suppliers in time or transact business with them on favourable terms and conditions or the quality of products supplied by these suppliers will be at par with those of our existing suppliers. Since such suppliers are not contractually bound to deal with us exclusively, we may face the risk of losing their services to our competitors. Any disruption in supplies from our suppliers due to inexistence of contracts may adversely affect our production process, trading activity and consequently our results of operations.

29. The Appraisal Report envisages certain threats and concerns, in respect of the setting up of additional manufacturing facility proposed to be set up by the Company, which might affect our profitability and results of operations. The concerns and threats provided for in the Appraisal Report have been enumerated below:

The weakness and threats provided for setting up the additional manufacturing facility in the Appraisal report of Care Advisory Research & Training Limited dated May 31, 2017 have been enumerated below

Weakness:

- **Environmental Pollution**

Paper production causes adverse effects to the quality of air, water and land. Paper Recycling is also a source of pollution. It comes under pollution control regulations. Therefore, company should ensure that the environment is protected during the production.

- **Rising Raw Materials Costs**

Availability of raw materials is one of the biggest barriers to growth of the industry. India depends on wood, recycled paper, and residues from the agriculture industry for its pulp needs, and the supply of each is limited and problematic.

- **Higher capacity utilization in global industry**

The higher utilization of capacity in global industry is another challenge in this industry. The Indian paper industry is highly fragmented with capacities ranging from less than 10 tonne to 600 tonne a day. Currently there are about 450 paper mills operating in the country. In comparison, paper mills in Indonesia, Brazil, Scandinavia and the US have a capacity range of 300 to 3,000 tonne a day.

Threat:

- **Competition**

Paper making does not require any special skills which can be attributed to a particular company. The person / organization, capable of investment of such large size projects, can install the project and may eat away the business of the other companies. However, as there are enough demand in the market, it is unlikely to happen in near future.

- **Government Regulation**

As the paper making involves discharge of effluent materials, it comes under heavy scrutiny of pollution control board. Improper disposal may get sanction from PCB and hamper the project.

- **Import Threat**

There has been a rise in paper imports from ASEAN countries which has resulted in increasing share of imports in paper consumption in India. Earlier only few special grade paper and newsprint were imported but now, paper is too being imported.

30. *Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.*

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- a. Environment (Protection) Act, 1986
- b. Air (Prevention and Control of Pollution) Act, 1981
- c. Water (Prevention and Control of Pollution) Act, 1974
- d. Hazardous Waste Management & Handling Rules, 2008
- e. other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Gujarat which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment

of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

31. *The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.*

We compete in kraft paper industry on the basis of the quality of our products, price, and distribution. The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian kraft paper market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

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

We cater primarily to the corrugated box packaging industry which requires us to maintain certain norms in relation to quality standards. Our business growth depends on continued demand for our products from users of this industry. A slowdown or reversal of demand of our products in this industry or introduction of regulations that restrict or discourage companies from using our products could result in a decrease in the demand and materially adversely affect our business, financial condition and results of operations. For example, a worsening of economic conditions in the financial corrugated box packaging industry and significant consolidation in that industry may reduce the demand for products and negatively affect our revenues and profitability. Other developments in the industry in which we operate may also lead to a decline in the demand for our products and we may not be able to successfully anticipate and prepare for any such changes.

33. *Our Company has negative cash flows from its operating activities, investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.*

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(₹ in millions)

Particulars	For the period ended September 30, 2017	For The Year Ended March 31,				
		2017	2016	2015	2014	2013
Cash Flow from / (used in) Operating Activities	55.65	80.00	156.94	107.22	(66.09)	(155.58)
Cash Flow from / (used in) Investing Activities	(24.01)	(84.38)	(103.52)	(19.47)	(39.38)	(270.14)
Cash Flow from / (used in) Financing Activities	(30.07)	12.00	(33.98)	(82.45)	63.71	482.51

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

34. *Failure or disruption of our IT and/or business resource planning systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.*

We have implemented various information technology (“IT”) and/or business resource planning systems to cover key areas of our operations. We are dependent on technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase and shipments. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. While the business resource planning systems that we have implemented have enabled us to improve our working capital cycles, despite an increase in our sales over the period, we can provide no assurance that we will be able to do so in the future.

We believe that we have deployed adequate IT disaster management systems including data backup and retrieval mechanisms, at our manufacturing facility and registered office. However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, manage our creditors, debtors and hedging positions, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and cash flows.

35. *Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.*

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based on the forecast, demand and requirements and also on the customer specifications. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact the supply of raw material and local transportation. Should our supply of raw materials be disrupted, we may not be able to procure an alternate source of supply in time to meet the demands of our customers. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In addition, disruptions to the delivery of product to our customer may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. To improve our line capability, we try to stock our inventory at our manufacturing facility. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation

36. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy.*

Our growth strategy requires us to develop and strengthen relationships with existing customers for our business of kraft paper who may drive high volume orders on an ongoing basis. To remain competitive, we propose to set up an additional manufacturing facility for manufacturing a new range of kraft paper, we seek to increase our business from existing customers and by adding new customers, as well as expanding into new geographical markets.

Our success in implementing our growth strategies may be affected by:

- our ability to successfully set up our additional manufacturing unit
- our ability to create demand for our proposed range of kraft paper

- our ability to maintain the quality of our products;
- our ability to increase our customer base;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);
- our ability to compete effectively with existing and future competitors,
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Separately, our growth strategy also involves expanding into new geographic markets which will involve additional risk.

Further, our plan is to go for a forward integration in business operations by venturing into packaging industry. Such integration shall require additional resources, capital investment, market research. For information on the Company's strategy in relation to forward integration, see the chapter "Our Business" beginning on page 143 of this Red Herring Prospectus. There can be no assurance that such steps would lead to a successful forward integration. Further we do not have any operational experience in this industry and we have not generated any revenue from such operations/business in the past. Any failure on our part to be aware and keep up with the latest trends in such industry may adversely affect our competitiveness and ability to grow such business segment.


We also plan to enhance and develop our existing brand in India. By focusing further resources, including management time and effort, distribution and sales network and brand management on developing our brand, we will be diverting our resources from our established business of manufacturing. We may not be successful in developing our brand image as we intend to.

While we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

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

Our Company has entered into certain transactions with our related parties including our Promoters, the Promoter Group, Group Companies, our Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to section "Related Party Transactions" in Section "Financial Statements, as restated" beginning on page 194 of this Red Herring Prospectus.

38. *Intellectual property rights are important to our business and we may be unable to protect them from being infringed by others which may adversely affect our business value, financial condition and results of operations.*

As on the date of this Red Herring Prospectus, we have obtained registration for our corporate logo " astron" and although, we believe that that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. For further details pertaining to our intellectual property, please refer to the chapter titled "Our Business" beginning on page 143 of this Red Herring Prospectus.

39. Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. As on date of Red Herring Prospectus, we are yet to recover amount of Rs. 5.91 million from two of our debtors on which we have filed suit under section 138 of the Negotiable Instruments Act, 1881. Further during the year ended March 31, 2017 and period ended September 30, 2017 we have made a provision for doubtful debts of upto 3.71 million.

40. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

41. Our Group Company M/s. Shreerangam Packaging Private Limited has incurred losses in the previous financial years.

Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc., which may affect our credibility and business operations. Our Group Company M/s. Shreerangam Packaging Private Limited has incurred losses in previous financial years:

Financial Performance of M/s. Shreerangam Packaging Private Limited

(₹ in million)

Particulars	2016-17	2015-16	2014-15
Paid Up Capital	7.31	7.31	7.31
Reserves and Surplus	25.90	19.47	26.65
Net Worth	33.21	26.78	33.96
Sales and other	427.22	343.88	293.44

Particulars	2016-17	2015-16	2014-15
income			
Profit/(loss) after tax	6.43	(7.17)	(9.10)
NAV (in Rs.)	45.44	36.65	46.46

There can be no assurance that our Group Companies will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses.

42. *Shreerangam Packaging Private Limited one of our Group Companies has objects similar to that of our Company's business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.*

One of our Group Companies, Shreerangam Packaging Private Limited has some of the objects similar to that of our Company's business and could offer services that are related to the business of our Company. Although as on date of this Red Herring Prospectus, the aforesaid entity is not carrying any business competing with that of our Company, in future conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company in circumstances where our respective interests diverge. Further, our Promoter, Ramakant Patel is also a director on the board of Shreerangam Packaging Private Limited. This may be a potential source of conflict of interest in addressing business opportunities, strategies, implementing new plans and affixing priorities. In cases of conflict, our Promoter may favour other companies in which our Promoter has interest. There can be no assurance that our Promoters or our Group Companies 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.

43. *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.

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

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

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

45. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.*

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. The total amounts outstanding and payable by us as secured loans were Rs. 675.46 million and Rs. 726.71 million as on March 31, 2017 and September 30, 2017 respectively. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information

on the Financial Indebtedness please refer to page 215 of this Red Herring Prospectus.

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

As on September 30, 2017 and November 14, 2017, our Company has unsecured loans (including unsecured loan to be repaid through the net proceeds) amounting to Rs. 200.61 million and Rs. 160.15 million respectively from related and other parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, our Company may be required in such a case to repay the entirety of the unsecured loans together with accrued interest and other outstanding amounts payable in relation to the facility. Our Company may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, cash flows and financial condition. Further, if any of lenders of these unsecured borrowings seek the accelerated repayment of any such loan, it may have a material adverse effect on our business, cash flows and financial condition.

For further details of unsecured loans of our Company, please refer the chapter titled “Financial Statements as Restated” beginning on page 194 of this Red Herring Prospectus.

47. *Our loan agreements with various lenders have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations. Further as on date of the Red Herring Prospectus, our Company has not received consent from some of our lenders to undertake this Issue. Non receipt of such consent could lead to non-compliance of the terms of loan agreements entered into by our Company with said lenders.*

We have entered into agreements for short term and long term borrowings with certain lenders. As on March 31, 2017 and September 30, 2017, an aggregate of ₹425.65 million and Rs. 513.78 million as working capital facilities and ₹ 246.90 million and Rs. 210.50 million as term loans was outstanding towards loans availed from banks. The credit facilities availed by our Company are secured by way of mortgage of fixed assets, hypothecation of current assets (both present and future), and personal guarantees given by our Individual Promoters. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to the Company may be recalled with penal interest. This could severely affect our operations and financial condition. In addition to the above, our loan documentation includes certain conditions and covenants that require us to obtain consents from the aforesaid banks prior to carrying out certain activities like entering into any amalgamation, demerger, merger and corporate reconstruction, changing our management and operating structure, making any fresh borrowings or creating fresh charges on assets, etc. Further, as on the date of the Red Herring Prospectus, we have not received consent from the Bankers to the Company. We cannot assure you that the Bankers to the Company will grant us the consent for this Issue. Failure or delay in obtaining such consents can have significant consequences on our capacity to expand and therefore adversely affect our business and operations. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by the lending banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility, which may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lending banks refuse to renew / enhance the credit facilities and/or cancels / suspends / reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as our future business prospects and financial condition may be severely affected.

48. *Our Promoters and members of the Promoter Group have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.*

Our Promoters and members of the Promoter Group have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to

the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

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

Our Promoters and some of our Directors being Mr. Kirit G. Patel, Mr. Ramakant Patel and Mr. Karshanbhai Patel may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares held by them, their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company, and to the extent of sitting fee payable to them for attending each of our Board and Committee meetings. Therefore, some of the above interests may conflict with the duties of these persons as Promoters / Directors of the Company. For further details, please see the chapters titled “Our Management” and “Our Promoters and Promoter Group” beginning on pages 167 and 181, respectively of this Red Herring Prospectus.

50. *Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.*

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, Marine Turnover Policy, Standard Fire and Special Perils Insurance (Material Damage), Boiler & Pressure Plant Insurance Policy and Marine Open Declaration Policy in respect of our plant and machineries, building, stocks of paper mill, office equipments and other business operations. To insure our workforce we maintain Group Personal Accident and Employees Compensation Liability Policy that cover accidental death, permanent disability and other injuries to our employees. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

51. *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’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, 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 bank finance, 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 to the chapter titled “Objects of the Issue” beginning on page 98 of this Red Herring Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

For details of our dividend history, see “Dividend Policy” on page 193 of this Red Herring Prospectus.

53. *Our Company’s management will have flexibility in applying the proceeds of this Issue within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 98 of this Red Herring Prospectus.*

We intend to use Net Issue Proceeds towards setting up of our additional manufacturing facility, working capital requirements, repayment/prepayment of certain unsecured loans and general corporate purposes. We intend to deploy the Net Issue Proceeds in financial year 2017-18 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. While the Company has obtained an Appraisal Report for setting up of its additional manufacturing facility and shall be following the schedule of implementation and deployment as per the Appraisal Report, however, there can be no assurance that the funds raised from the Issue may not remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 98 of this Red Herring Prospectus.

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

Since the Issue size is less than Rs.1,000 Million, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

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

56. *Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.*

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own [●]% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

the price of our Equity Shares.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

59. *Our Company has acquired land from one of our Promoters.*

Our Company has acquired its registered office from one of our Promoters. Our Company has purchased the land on which our registered office is situated from one of our Promoters, Mr. Kirit G. Patel. We believe that such transactions have been conducted on an arms-length basis, however, there can be no assurance that our Company could not have achieved more favourable terms if had such transactions not been entered into with related parties. For further details, please see the chapter titled “Our Business” beginning on page 143.

Issue Specific Risks

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

The Issue Price of our Equity Shares will be determined by book building method. The price will be based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 111 of this Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

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

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the section titled “Risk Factors – Prominent Notes” on page 41 of this Red Herring Prospectus.

External Risk Factors

Industry Risks:

62. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

Other Risks

63. *Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may*

benegatively affected by such transition.

Our financial statements, including the restated financial information included in this Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Public companies in India, including our Company, are required to prepare annual and interim financial statements under Indian Accounting Standard 101 “First-time Adoption of Indian Accounting Standards”.

On January 2, 2015, the Ministry of Corporate Affairs, Government of India (“MCA”) announced the revised roadmap for the implementation of Ind AS for companies other than banking companies, insurance companies and non-banking finance companies through a press release. On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (“Indian Accounting Standard Rules”) to be effective from April 1, 2015. The Indian Accounting Standard Rules provide for voluntary adoption of Ind AS by companies in financial year 2015 and, implementation of Ind AS will be applicable from April 1, 2016 to companies with a net worth of ₹ 5,000 million or more. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operation of our Company.

The Special Purpose Interim Condensed Ind AS Financial Statements included in this Red Herring Prospectus, includes a reconciliation for certain financial information prepared in accordance with previous Indian GAAP with financial information prepared under Ind AS, in accordance with applicable accounting standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as previous Indian GAAP, IFRS and U.S. GAAP. Consequently, our Special Purpose Interim Condensed Ind AS Financial Statements may not be comparable to our historical financial statements. The degree to which the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS. See “Special Purpose Interim Condensed Ind AS Financial Statements for the six months ended September 30, 2017” and “Summary of Significant Differences between Previous Indian GAAP and Ind AS” on pages F-71 and 211, respectively. Further, our Special Purpose Interim Condensed Ind AS Financial Statements are preliminary and may change if (a) there are any new Ind AS standards issued through March 31, 2018 or (b) there are any amendments or modifications made to existing Ind AS standards or interpretations thereof through March 31, 2018 affecting the Ind AS balances included. For further details, see “Special Purpose Interim Condensed Ind AS Financial Statements” beginning on page F-71.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain 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 on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a 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 on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a 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.

65. 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 chapter “Financial Statements as restated” beginning on page 194, 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.

66. *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 unfavorable 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 142 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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

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

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

Further, on November 8, 2016 the Department of Economic Affairs, Ministry of Finance, Government of India through a notification declared that bank notes of denominations of the series of the value of five hundred rupees and one thousand rupees shall cease to be legal tender. This new regulation could result in reduction of liquidity in the economy and may have an impact on various sectors, which may include sectors such as home and personal care products. As a result, such changes or interpretations could have an adverse effect on our business and our financial results. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

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.

67. *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.

68. *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.

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

70. *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.

71. *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, tsunamis, 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.

72. *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.

Prominent Notes

Bidders are advised to contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of funds by electronic mode etc. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, the Bid amount paid on submission of the

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

1. Public Issue of 1,40,00,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●]/- per Equity Share ("Issue Price") aggregating upto Rs. [●] Million. The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "*General Information*" beginning on page 70 of this Red Herring Prospectus.
3. The pre-issue net worth of our Company was Rs. 453.19 million as of March 31, 2017 and Rs. 540.30 million as of September 30, 2017. The book value of each Equity Share was Rs 13.94 as at March 31, 2017 and Rs.16.62 as at September 30, 2017 as per the restated financial statements of our Company. For more information, please refer to section titled "Financial Statements" beginning on page 194 of this Red Herring Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Kirit Patel	66,99,650	4.24
Karsanbhai Patel	35,75,000	2.77
Ramakant Patel	11,82,900	9.10
Asian Granito India Limited	87,75,000	8.95

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled "*Capital Structure*" beginning on page 80 of this Red Herring Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer to "*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*" on page F-53 under chapter titled "*Financial Statements, as restated*" beginning on page 194 of this Red Herring Prospectus.
6. Except as disclosed in the chapter titled "*Capital Structure*", "*Our Promoter and Promoter Group*", "*Our Management*" and "*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*" beginning on pages 80, 181, 167 and F-53 respectively, of this Red Herring Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
7. Except as disclosed in the chapter titled "*Capital Structure*" beginning on page 80 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
8. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
9. Investors are advised to refer to the chapter titled "*Basis for Issue Price*" beginning on page 111 of this Red Herring Prospectus.
10. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of

six months immediately preceding the date of filing of this Red Herring Prospectus with SEBI.

11. There has been no change in the name of our Company in the last 3 years immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus. For details in change of registered office, please see the chapter titled “History and Certain Corporate Matters” on page 163 of this Red Herring Prospectus.

SECTION IV – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section is derived from report titled “Research Report on Kraft Paper – May 2017” (“**CARE Report**”) and also includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 17 and 194 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

The CARE Report was commissioned by our Company and has been prepared by CARE Advisory – a division of CARE Advisory Research and Training Limited, for which, our Company had made a payment to CARE Advisory. CARE Advisory has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. CARE Advisory, a division of CARE Advisory Research and Training Limited has taken due care and caution in preparing the CARE Report based on the information obtained by CARE from sources which it considers reliable (the “Data”). However, CARE does not guarantee the accuracy, adequacy or completeness of the Data/ CARE Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report.

The CARE Report is not a recommendation to buy, sell or hold an instrument in any company covered in the CARE Report. CARE Advisory is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CARE Advisory. CARE Advisory operates independently of, and does not have access to information obtained by CARE’s Ratings Division, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CARE Report are that of CARE Advisory and not of CARE’s Ratings Division/CARE Ratings and cannot be compared to the rating assigned to the company within this industry by the ratings division.

INTRODUCTION TO INDIAN PAPER INDUSTRY

The Indian paper industry accounts for about 3% of the world’s production of paper. The estimated turnover of the industry is INR 50,000 crore (USD 8 billion) approximately and its contribution to the exchequer is around INR 4,500 crore. The industry provides employment to more than 0.5 million people directly and 1.5 million people indirectly. Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc. In terms of share in total production, approximately 24% are based on wood, 65% on recycled fibre and 11% on agro-residues. The geographical spread of the industry as well as market is mainly responsible for regional balance of production and consumption.

The per capita paper consumption in India at a little over 13 kg, is way behind the global average of 57 kg. India is the fastest growing market for paper globally and it presents an exciting scenario; paper consumption is poised for a big leap forward in sync with the economic growth. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes.

(Source: Indian Paper Manufacturers Association (IPMA) www.ipma.co.in)

GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and

monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects

Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OVERVIEW OF INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world as per the International Monetary Fund (IMF). According to the Economic Survey 2016-17, Real GDP growth of the Indian economy is expected to be in range of 6.75% to 7.5% for FY 2017-18. Even under this forecast, India would remain the fastest growing major economy in the world. The improvement in India's economic fundamentals has accelerated from the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

Indian Economy Prognosis for the FY 2017-18: (Source: CARE Ratings)

India has emerged as one of the fastest growing economies in recent times. The global growth prospects also look positive with the main economies gradually ascending the growth ladder. The Indian economy is expected to embark on higher economic growth trajectory in FY18 owing to proactive measures taken by the government as well as favourable economic conditions expected to prevail during the course of the year.

The main driving forces in FY18 would be:

- Increased government spending in infrastructure
- Pick up in private investment
- Good monsoon
- Expected surge in consumer spending with pent up demand being satiated
- The Goods and Services Tax (GST), which is likely to be implemented from July 1, 2017, has potential to spur the economy further.

The economic outlook of the Indian economy looks positive with the country expected to grow at more than 7.5% in FY18 before moving past the 8% trajectory in FY19. Certain threats, however, prevail in terms of upside risk to inflation, increasing global commodity prices especially crude oil prices, slower growth in investment and credit, rising bad loans issue and uncertain trade prospects with appreciating rupee and uncertain global economic conditions. Globally, protectionism adopted by the US and higher interest rates by the Fed, revival in European countries and higher growth in China causing diversion of funds from India could counter the prospective growth story of the country, going ahead.

Bypassing the risk of slowdown post-demonetisation, the Indian economy is estimated to grow at 7.1% in FY17 according to the Central Statistics Office (CSO). However, this growth rate would still be lower compared with the impressive 7.9% growth recorded in FY16. The GDP growth of FY17 is expected to be supported by the agriculture growth of 4.4% vis-à-vis 0.8% growth in FY16 and capped by estimated subdued growth in industry (5.8% as against 8.2% in FY16) and services (7.9% compared to 9.8% growth in FY16).

GDP:

Growth expected to be in the range of 7.6% - 7.8% in FY18. The high GDP growth numbers in FY18 will be realised on account of increased agricultural production owing to prediction of near normal monsoons this fiscal, enhanced government expenditure, pick up in industrial activities and likely uptick in consumer demand aided in part by the 7th Pay Commission allowances to be awarded in the on-going fiscal. The implementation of Goods and Services Tax (GST) is also expected to aid the economic growth in the medium term.

Improvement in investments:

In the fiscal year FY17, the gross fixed capital formation (GFCF) recorded a decline to 26.9% of GDP as against 29.2% of GDP recorded in FY16. Lower private sector spending led to low capacity utilization which in turn hampered the overall investment in the economy. Also private sector investment in infra has not yet picked up.

Investment will be driven in FY18 mainly by the central government which is expected to concentrate on spending on roads, railways and urban development. States may not be in a position to spend too much as they have already taken on the additional debt of the DISCOMs through the UDAY bonds. Private sector investment in infra would come with a lag while that in manufacturing would be contingent on links between higher consumption and capacity utilization across sectors. Although, overall investments are likely to see an improvement, it could be marginal in nature and as a percent of GDP would continue to be below the levels seen during FY12-FY16 (34.3% to 29.2%). CARE expects the gross fixed capital formation (GFCF) to increase to around 27.5% of GDP in FY18.

Agriculture:

Agriculture and allied services accounts for approximately 15% of the gross value added (GVA). Despite monsoon being deficient in certain parts of the country, the overall monsoon was considered to be normal in 2016-17 after 2 consecutive years of drought, which aided growth in agriculture during FY17. The agricultural sector is expected to grow by 4.4% in FY17 as against the 0.8% growth in FY16. According to the Ministry of Agriculture the food grains production in FY17 is estimated to touch a record high of 271.98 million tonne.

The Indian Meteorological Department has predicted a 96% turnaround of monsoon this season (monsoon is considered normal when the rainfall is 96-104% of the long period average) following which the government has set food grain output target at 273 million tonne for FY18 crop year. CARE expects the agricultural sector to grow at 3-4% in FY18 with both kharif and Rabi crop output to meet targets.

Industry Prospects:

In FY17, the industrial output growth remained subdued at 0.4% in FY17 (Apr-Feb), lower than 2.6% growth in the corresponding period last fiscal year. Although the segments mining & quarrying and electricity segments supported overall industrial growth the negative growth (-0.3%) in the manufacturing sector lowered the cumulative industrial growth rate in FY17. Within the use-based industrial classification, basic goods and intermediate goods fared well while contraction in capital goods and subdued growth in consumer goods hampered overall industrial growth numbers.

Overall industrial activity is expected to witness expansion in this fiscal with improved demand across various segments.

The government expenditure on infrastructure will be higher that will give an impetus to the industrial sector.

- Private sector investment is expected to grow especially on sectors pertaining to roads, ports and power.
- Consumer durables demand is likely to see an uptick in the second half of the fiscal year. This would be due to a couple of factors: first, good monsoon and farm harvest and second, satiation of pent up demand in FY18 on account of inability to spend in H2-FY17 due to demonetization.
- Capital goods are expected to grow, albeit with a lag as private sector investment will eventually reflect in growth of this segment.
- The capacity utilisation of the industrial sector will increase gradually.

Collectively, all this will lead to better industrial output this fiscal. Thus, CARE expects the industrial output to grow at 4-5% in FY18.

Government Initiative:

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Government has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy. This initiative is expected 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 raise the weightage contribution of manufacturing sector and aims to take it up to 25 per cent of the GDP.

The Government of India has also launched an initiative to create 100 smart cities as well as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities with an outlay of Rs.48,000 crore (US\$ 7.47 billion) and Rs.50,000 crore (US\$ 7.34 billion) crore respectively. Smart cities are satellite towns of larger cities which will consist of modern infrastructure and will be digitally connected.

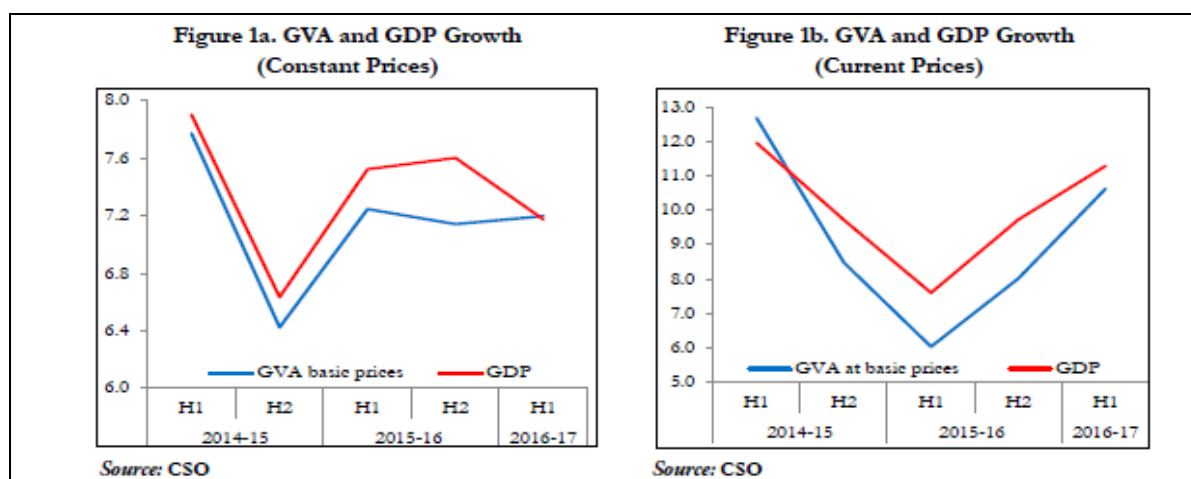
Road Ahead:

As per the World Bank outlook January 2017, India's GDP is projected to be 7.6% for 2017 and increase to 7.8 % for 2018 and 2019. According GoI, Indian economy would continue to grow at 7 to 9 per cent and would double in size to US\$ 4–5 trillion in a decade, becoming the third largest economy in absolute terms.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).

Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses were in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geopolitics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

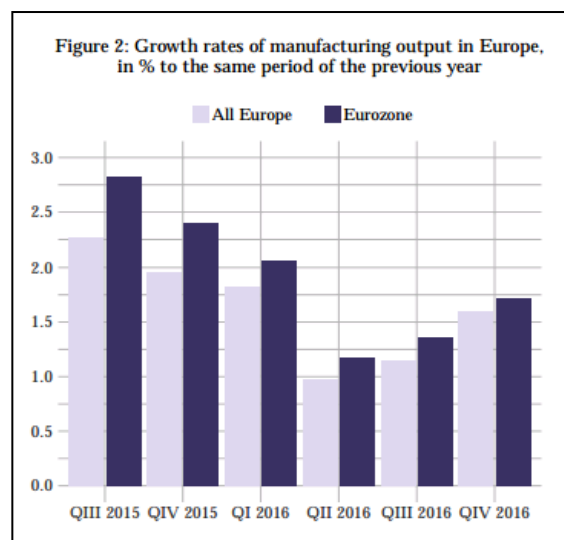
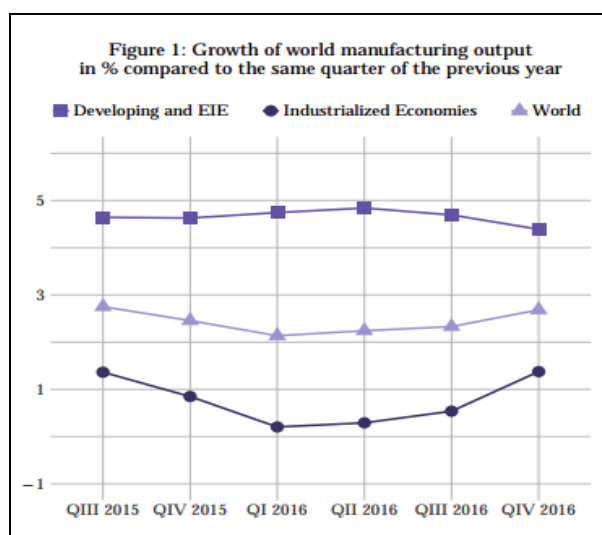
World manufacturing growth

World manufacturing output growth improved slightly during the final quarter of 2016. Fourth quarter figures show that the improvement is primarily attributable to the continuing recovery process in industrialized economies. However, manufacturing output growth further slowed in developing and emerging industrial economies. Although the overall growth trend in world manufacturing was positive in the second half of 2016, geopolitical uncertainty remained high and potential changes in global trade arrangements may create new risks.

Against the backdrop of sluggish dynamics, world manufacturing output rose by 2.7 per cent in the fourth quarter of 2016 compared to the same period of the previous year, which is higher than the 2.3 per cent rise in the third quarter and represents the strongest performance since the beginning of the year. A slightly decelerated growth rate observed in developing and emerging industrial economies during the final quarter of 2016 was compensated by a more positive picture in industrialized countries as their growth performance improved. However, the level of growth in developing economies has been consistently higher than in industrialized countries, as depicted in Figure 1.

Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea and United Kingdom, recorded an expansion compared to the same period of the previous year. In China, the world's largest manufacturer, comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward.

The manufacturing output of industrialized economies increased to 1.4 per cent in the fourth quarter of 2016 from the 0.5 per cent recorded in the previous quarter. This increase is primarily attributable to the performance of East Asia, which experienced a significant reversal in growth in the second half of 2016, following several consecutive slumps that have lasted for nearly two years. The main force driving this nearly 2.9 per cent year-by-year upturn is Japan, East Asia's major manufacturer, whose export-fuelled growth was also supported by a weakened yen against the US dollar. Production in Europe witnessed a healthy growth momentum at the end of 2016, and had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output remained stagnant in the fourth quarter of 2016 and recorded a negligible gain of 0.2 per cent.



The manufacturing output of developing and emerging industrial economies rose by merely 4.4 per cent. This was the first time the growth of these economies was below 5.0 per cent since the beginning of 2015. Asian economies maintained a relatively higher growth rate at 5.5 per cent, but their growth performance hit a multi-year low in the final quarter of 2016. Other regions' production slightly decreased compared to the same period of 2015: by 1.0 per cent in Latin America and 0.5 per cent in Africa. As long as economic and political instability persists in industrialized countries, the threat of another slowdown remains looming over developing economies.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Key Findings - Global manufacturing

Global manufacturing production maintained a positive growth in nearly all industries in the final quarter of 2016. High- and medium-high-technology manufacturing industries held top positions, when looking at the year-by-year developments - the manufacture of computers, electronics and optical products grew by 6.3 per cent, the manufacture of motor vehicles rose by 6.2 per cent and the production of pharmaceutical products by 4.0 per cent. However, the production of other transport equipment, another high-technology sector, contracted by 0.9 per cent compared to the same period of the previous year. The largest loss was recorded in the tobacco industry, with its global production declining by 5.8 per cent.

As regards durable and capital goods, the production of machinery and equipment experienced an exceptionally high growth rate at 3.7 per cent in the fourth quarter of 2016. The manufacture of non-metallic mineral products, which essentially supply construction materials, registered a growth figure of 2.5 per cent worldwide. The manufacture of fabricated metal products and furniture both rose at a moderate pace of 1.7 per cent. Worldwide manufacturing of basic metals has systematically lost strength over the last few years and reached a negative growth rate of 0.7 per cent in the fourth quarter of 2016, mostly due to a visibly decreased production of basic metals in China.

Global manufacturing output maintained relatively high growth rates in the production of basic consumer goods. The manufacture of food products rose by 3.1 per cent and beverages by 3.7 per cent, while the manufacture of wearing apparel increased by 0.5 per cent only. In low-technology manufacturing sectors, the global production of wood products rose by 3.3 per cent while the growth pace of manufacturing of paper products, textiles and leather products remained below 2.0 per cent.

The growth performance of developing and emerging industrial economies outperformed industrialized economies in nearly all manufacturing industries, including a number of high-technology industries, as illustrated in Figure 4. The fastest growing industry in both country groups was the automotive industry, reflecting strong growth of automobile production in China as well as in European countries.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

Market Size

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Road Ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.75 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

*According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Manufacturing Sector in India, India Brand Equity Foundation www.ibef.org)

INTRODUCTION TO INDIAN PAPER INDUSTRY

The paper industry in India could be classified into three categories according to the raw material consumed.

1. Wood based 2. Waste paper based 3. Agro based

In India, softwood is the main raw material used for papermaking, especially high quality printing papers. With the increase in population and the expansion of education, demand for paper has steadily increased. Due to very narrow forest resources, wood pulp is in short supply now days. As softwoods thrive in temperate climates, India is scarce in such forests. Thus, in such circumstances bamboo became the main raw materials for papermaking in the country, as it grows very quickly even after cutting.

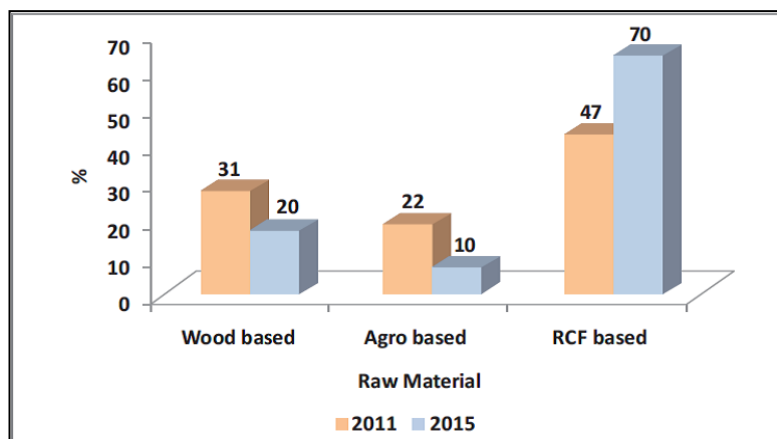
The paper industry in India is mainly based on plantation and it is essential that more land should be taken under eucalyptus plantations and other trees for papermaking. The paper industry also requires a lot of soft water and paper used for newspapers is called newsprint. In recent year, the capacity of the Indian paper industry has risen to 75,000 tonne per year. West Bengal and Maharashtra are the major states of the industry. The total production of newsprint has already reached more than 400,000 tons. A large number of capacity expansion and expansion programs with a disbursement of Rs.10,000 crore have been announced covering the various sectors such as paper, cardboard, newsprint, etc.

The Indian paper industry is a vast industry comprising more than 160 paper-producing divisions throughout India. These functional units manufacture handmade paper worth crores of rupees and provide employment to approximately 10,000 people. Indian paper industry has created sustainable livelihoods in rural areas and has helped generate employment for local people, especially for women to earn their living. The Indian Paper Industry has emerged as a diversified and specialized industry that produces numerous types of papers that comes in various uses, such as watermark, filter paper, drawing sheets, etc. Other products like paper bags, paper journals, Photo paper photo frames, greeting cards, handmade paper boxes, paper albums, etc., are manufactured and exported.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

RAW MATERIAL SCENARIO FOR PAPER INDUSTRY

The raw material consumption pattern has drastically changed in the recent years with the pulp & paper industry witnessing a rise in the use of waste paper. This shift has been mainly brought about for purpose of environmental compliance. Presently, the consumption of wood, agro and waste paper is 20 %, 10% and 70 % respectively. Till about a few years ago, the consumption of wood, agro and waste paper was 31%, 22% and 47% respectively. Figure below illustrates the changing raw material consumption pattern of the Indian Paper Industry.



Source: CPPRI Annual Report 2015-16 (Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

PAST TRENDS IN PAPER INDUSTRY:

The Indian paper industry with approximately 13 Mn tonnes of capacity accounts for about 3% of global paper production. According to Indian Paper Mills Association, the domestic consumption of paper in India during 2014-15 was 13.9 Mn tones, YoY growth of 6%. The per capita consumption of paper in India stands at ~11 kg, which is relatively lower compared to other developed and developing countries. With increasing focus by government on education and general uptick in macro economy, CARE Rating expects Indian paper industry to witness a CAGR of 7% over the next five years to about 20 Mn tones. The growth will be largely driven by printing & writing and packaging & paper board segment. The Indian paper industry can be broadly classified into three segments:

Printing & writing (P&W): Printing and writing segment caters to office stationary, textbooks, copier papers, notebooks etc. This segment forms ~31% of domestic paper industry. Governments thrust on education through steps like Right to Education, Sarva Shiksha Abhiyan, rise in service sector are key factors contributing to the growth of this segment.

Packaging paper & board: Packaging paper & board segment caters to tertiary and flexible packaging purposes in industries such as FMCG, food, pharma, textiles etc. This segment forms ~47% of the domestic paper industry. This is currently fastest growing segment owing to factors such as rising urbanization, increasing penetration of organized retail, higher growth in FMCG, pharmaceutical.

Newsprint: Newsprint serves the newspaper & magazines industry. This segment forms ~18% of Indian paper industry. This segment is under stress due to lower growth rates and import threat.

(Source: CARE Ratings- Credit Perspective- Paper Board, July 2016)

Paper & Paperboard Segment

Indigenous paper and paper board segment produces all the main varieties of paper that are in demand in the market viz. writing and printing (38%) packaging grade paper (53%), newsprint (8%) and specialty paper (<1 %). However, certain specialty paper such as coated paper, security papers and cheque paper, etc. are being imported in the country.

The production of paper and paper board in the year 2015-16 stood at around 17 million tonnes (estimated figure) as compared to 16.63 million tonnes in the previous year (2014-15). During the year 2015-16, 1.48 million tons of paper and paper board was imported whereas in the previous year (2014-15) this figure stood at 1.36 million tons. On the other hand about 0.64 million tons of paper and paper board was exported in the year 2015-16, up from a figure of 0.60 million tons in the year 2014-15.

Production Trends for Different Grades of Paper

The Indian Paper Industry produces writing and printing, newsprint as well as packaging grade of paper. Writing and printing paper, packaging, newsprint and speciality paper contribute to 38%, 53 %, 8 % and <1 % respectively. The domestic production trend follows the global trends in writing & printing paper, packaging grades & newsprint accounting for 26%, 51% & 7% respectively. However, global production of speciality grades like tissue paper is higher at around 8% of total global production.

(Source: CARE Ratings- Credit Perspective- Paper Board, July 2016)

Operating profit margin improving for paper players from H2 FY16.

The major cost heads for paper industry players are raw material (constituting ~50% of net sales) and power and fuel cost (constituting ~ 16% of net sales). The operating margins of the paper companies were in the range of 14 % during FY09 to FY11 due to lower costs and better price realizations backed by good demand growth. However, during FY12 to FY14, the operating margin trend showed a declining trend with increase in raw material prices and power and fuel cost largely during FY13. Also, with capacity expansion during FY09 to FY11, players could not increase the prices and faced import threat. Due to this the operating margin declined to ~11% during FY12 to FY14. The fall in margin was arrested in FY15 and H2FY16 witnessed improvement in margins due to declining RM costs and power & fuel cost.

Consumption & Production:

Indian Paper Industry in 2015 – 16:

Though digitization has taken the Indian Paper industry for a ride, India's demand for paper is expected to rise 53 per cent as the educational demand for paper is constantly on the rise. Although India's per capita consumption of paper is quite low compared to global countries, the demand is set to rise from the current 13 million tonne (MT) to an estimated 20 MT by 2020. As per industry source, India's per capita paper consumption at nine kg, against 22 kg in Indonesia, 25 kg in Malaysia and 42 kg in China. The global average stands at 58 kg. India's paper demand is set to rise 53% by 2020.

During 2011-15, consumption grew by 6.3%, higher than the global average. The index of industrial production (IIP) recorded a decline of 0.1% in FY14. Paper and paper products industry saw growth of only 0.1% y/y. However, the industry saw a revival in FY15 with a growth of 3% y/y. In 8MFY16, it recorded a growth of 3.2% y/y.

In the last five years, the Indian paper sector has invested about Rs.20,000 crore on capacity enhancement, technology upgrade and acquisitions. The raw material prices for the paper industry soared in FY15-16. This together with slug of cheap imports from China and other Southeast Asian nations negatively impacted the profit margins of most paper producers. In 2015, global wood pulp prices have risen beyond the previous peak since 2011, which was the highest point in more than 30 years. Unfortunately for manufacturers who rely on the material as input, especially paper packaging manufacturers, higher prices for wood pulp have increased their production costs. According to IBIS World, the price of wood pulp is forecast to increase further at an annualized rate of 5.1% in the three years to 2019. The increase in the price of wood pulp will also be reflected in the domestic price of paper, will grow at an annualized rate of 3.2% over the next three years.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

IPMA 12th 5 year plan – Prospects of Paper Industry – Consumption & Production:

The forecast for consumption of paper has been made based on the following assumptions:

(a) For writing paper, elasticity of consumption has been taken at 0.9. Taking the GDP growth at 9% during 2012-17 and beyond, the growth of demand for writing paper has been assumed at 8.1% per annum. With universalisation of education and increase in the period spend on education, elasticity of consumption of writing paper could be higher than one. However, despite a lower per capita consumption relative to other countries, increasing access to internet and substitution of writing/printing material by the electronic mode, elasticity of consumption has been taken at 0.9.

(b) For packaging paper, the tracking variable is the likely manufacturing growth. Since the share of the manufacturing sector is proposed to be increased from existing 16% to 25% in next 10 years, manufacturing growth is expected to remain higher than the GDP growth. The approach paper to the 12th Five Year Plan has taken manufacturing growth of 9.8% at the base case scenario; IPMA has assumed a growth of 10% for the growth of the packaging paper.

(c) For the newsprint, the average annual growth in first two years is taken at 7%. In subsequent years, the growth has been taken assuming an elasticity of consumption at 0.9, or a growth of 8.1% per annum.

Projected Consumption of Paper (Million Tons)					
	Writing paper	Packaging Paper	News Print	Total consumption	Baseline Scenario
2010-11	4.0	5.4	1.7	11.2	11.2
2011-12	4.3	5.9	1.8	12.0	12.1
2012-13	4.6	6.4	1.9	13.0	13.0
2013-14	5.0	7.1	2.1	14.2	13.8
2014-15	5.4	7.8	2.2	15.4	14.7
2015-16	5.8	8.6	2.4	16.8	15.6
2016-17	6.3	9.4	2.6	18.4	16.5
2021-22	9.3	15.2	3.9	28.4	21.8
2024-25	11.8	20.2	4.9	36.9	23.5
2026-27	13.8	24.5	5.7	43.9	25.3

Source: IPMA 12th 5 year plan

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

KRAFT PAPER INDUSTRY

Kraft Paper is easily being distinguished from the Writing, Printing or News Print Paper by its appearance – the Brown Colour. The Kraft Paper finds its application in numerous Products and ways. It serves as the most suitable Raw Material for manufacturing Corrugated Boxes. Such Boxes are made of Corrugated Sheets of Kraft Papers pasted with each other along with the insertion of Plain Sheet of Kraft Paper again. The number of Corrugated Sheets per side of the Box denotes the nomenclature of the Box e.g. Single Ply (for Single Corrugated Sheet pasted with Single Insertion of Plain Sheet), Double Ply (with obvious combination), and Triple Ply and so on so forth. Needless to mention, that the weight of a Corrugated Box is totally attributed to the Kraft Paper used for its manufacturing. Apart from Corrugated Box Manufacturing, Kraft Paper is being used as packing and fold insertion material in Textile Industry, Ordinary Boxes (Paper, Card Board, Mill Board Boxes etc.) manufacturing, Book/Note Book/Register Binding, Envelope Manufacturing etc.

Paper is classified by its Weight and Strength. Its nomenclature is based on either the Weight per Square Meter i.e. Grams per Square Meter (Gsm) or the Strength i.e. the Bursting Factor B/F. The Kraft Paper is available from 70 Gsm to 270 Gsm or 12 B/F to 35 B/F. Obviously, the higher Gsm or B/F would denote better qualities. The higher Bursting Factor of Kraft Paper as compared to other Papers makes it most suitable for corrugation and similar other mechanical operations.

The different grades of Waste Paper such as Old Corrugated Cuttings (O.C.C.) Cartons Cuttings, Kraft Paper Cuttings, New Corrugated Cuttings (N.C.C.) are being generally used to make Kraft Paper ranging from 12 B/F to 35 B/F. “SPM” has identified and selected such a Process and Equipment which has been designed to adopt all kinds of Raw Material Mix. The selected Design & Process would be compatible to all kinds & grades of Waste Papers available for pulping.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

TYPES OF KRAFT PAPER:

Virgin Natural Kraft Paper:

Virgin natural kraft paper is the heavy lifter of the paper world. Its clean and durable fiber content and its low cost make it an ideal option for heavy-duty applications that require a high level of tear resistance. Plus, it's perfect for printing as well, so it's a natural for branded packaging and protective layering, wrapping, pallet interleaving, carrier sheets, and dunnage.

Natural Recycled Kraft Paper:

Although not as strong and tear resistant as virgin natural kraft, natural recycled kraft paper is a more environmentally friendly option, and still carries enough strength to do an excellent job with dunnage and void fill applications, as liners for trays and boxes, inter leavers, and bottom wrap for newspapers. Both virgin and recycled kraft paper come standard in weights from 30# to 70#.

Black Kraft Paper:

The most common use of black kraft paper is as a dark, durable backing for pictures frames, but that's not its

only use. Black kraft paper is also perfect for fun and interesting craft projects, or as an aid to unique decorating where light barriers and dark borders are needed.

Colored Kraft Paper:

Colored kraft paper is available in just about every colour of the rainbow. Its vibrant hues make it perfect for all manner of craft projects, as well as fun backings for bulletin boards, standard school supplies, scrapbooking, and similar applications. If the target market includes, schools, day-cares, or busy parents, colored kraft paper should be on the list.

White or Bleached Kraft Paper:

Similar to virgin natural kraft in strength and durability, white or bleached kraft paper makes an especially powerful impact when a crisp, clean appearance is desired. For example, many restaurants like to use white kraft paper as an attractive and economical alternative to linen tablecloths. It also serves well for wrapping and can stand up well to the standard wear and tear a package may receive.

Printed Kraft Paper:

Many different industries take advantage of the versatility and value of custom printed kraft paper for creating branded wrapping, packaging, and in-store displays. For example, a deli may order a supply of kraft paper sheets in the perfect size for wrapping sandwiches, and have the deli logo and contact information printed on one side as a means of affordable, continual advertising. Many fashion manufacturers ship their garments out with printed kraft paper sleeves or sheets between individual articles, or wrapping the inside of a shoebox, again with branded logos and other information prominently displayed.

In all cases, the quality, versatility, and value of the various types of kraft paper can help the business by improving the look and feel of the products, enhancing branding efforts, and improving bottom line of the business.

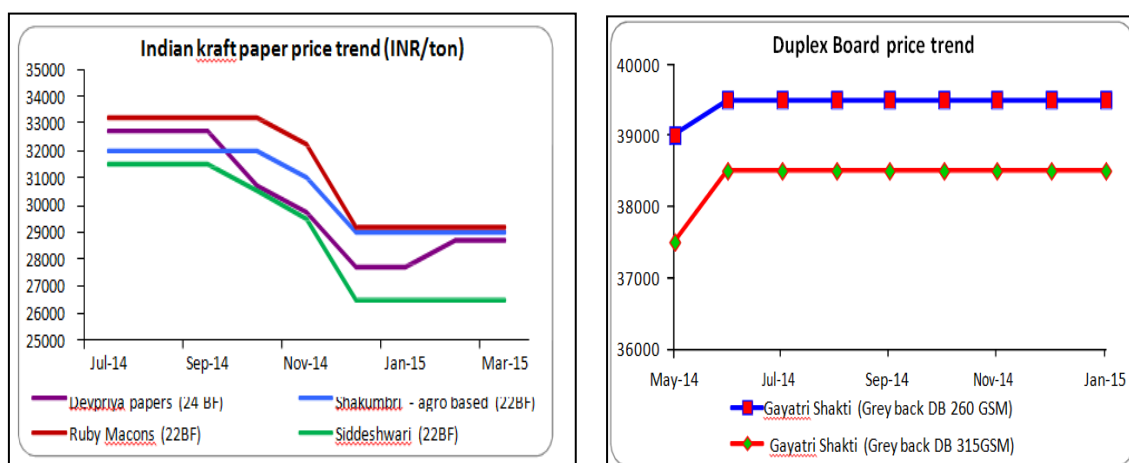
Market transformation:

This expansion is taking part against a back drop of changes within the sack and kraft industry, placing a premium on technical innovation. The most important influence on consumption of these materials remains in the hands of the end user. Consumption in traditional industrial applications is being eroded as sack formats are displaced by plastic and metal bulk and semi-bulk handling containers. This is being countered by increasing enthusiasm from consumer segments.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

PAST TRENDS OF KRAFT PAPER:

Both Kraft paper and duplex board manufacturers were expecting stimulus from the market to push prices higher, after prices slumping to lowest level since 2012. Price trends during FY 14-15 are provided in the exhibit given below:



Indian paper and paperboard remained unchanged during the first quarter of 2015, as the lack of growth in new orders continued to keep prices under pressure. At the raw material front, waste paper prices also remained

unchanged in the past month affected by weak demand prospects. Meanwhile, collection activity picked up in the first quarter of 2015 as the extreme winter conditions eased making the raw material availability higher in the market.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

ADVANTAGES OF KRAFT PAPER:

Paper Sacks

The modern paper sacks meet the high performance standards of the cement industry, specifically focusing on the most important decision-making factors identified by the study, namely: filling speed, pack cost, strength, moisture protection, dust-free packaging and damage rates.

High-speed filling

Thanks to the natural characteristics of sack kraft paper as filter material, paper sacks can be filled at very high speeds. The porosity of sack kraft paper enables rapid and problem-free venting during the filling process without requiring complex and cost-intensive air extraction systems.

Low packing costs

The high filling speed is a considerable advantage in terms of efficiency. It results in smoother and quicker processes as well as lower packing costs, as more cement sacks are produced per time unit. Due to a combination of lower capital and lower operational costs, as well as higher production efficiencies, paper sacks are the most cost-effective solution when compared to alternative packaging solutions.

Strength

Sack kraft paper is made from 100% virgin fibres. It gives paper sacks a unique strength, allowing optimisation of the packaging weight while still maintaining stability under a broad variety of conditions.

Dust-free

As a result of the development of high-porosity sack kraft paper, fillers have an alternative to the previously used perforated paper sacks. These sacks have been a major source of dust in the supply chain. Together with the enhancement of the valve technology, the paper sack industry is able to provide dust-tight sack packaging.

Moisture protection

In terms of moisture protection, paper sacks offer reliable solutions suiting the industry's needs. In many supply chains a wrapped pallet with standard sacks constructed with two-ply-layer sack kraft paper is an adequate and cost effective solution. In other supply chains where sacks will be exposed to humid conditions, a two-ply-layer paper construction with an intermediate PE-film will prevent moisture ingress.

Low damage rates

Other important factors that influence the fillers decision of packaging system are pack damage and product wastage. The level of damage to paper sacks does not exceed one to two percent.

Corrugated Box – Probable markets for corrugated box industry:

- Increasing demand and high volumes will trigger consolidation and setting up of large automatic plants.
- Inline Automatic Board and Box making plants will ease out the present semi-automatic production processes.
- Deployment of Folder Gluers, Rotary Die-cutters will be on the increase.
- Use of corrugated for display/promotional packs, POPs and dispensers.
- Advances in multicolour, flexo printing will facilitate in-house flexo printing and do away with screen printing, contract printing on offset presses.
- The emergence of e-commerce, reverse bidding, concept of First Pak will give large scale units the advantage of competitiveness and the concept of locating corrugated box units nearer to user locations will become obsolete.
- Large Corporates and Bulk users of corrugated boxes looking for single/multiple alternative vendors – capable of meeting stringent specifications, offering alternative designs, test-in-time deliveries at optimum

cost.

- Growing interest in machines made in China, Taiwan and other Asian countries.
- Many machinery manufacturers entering into alliances with Chinese, Taiwanese manufacturers for manufacturing/marketing.

Pharmaceutical Packaging & Situation in India

- Pharmaceutical packaging occupies a considerable portion of the overall drugs and pharmaceutical market in India and is growing steadily with the same pace of the industry. Pharmaceutical packaging consists of various types of glass, pet bottles, strip and blister packs, injectibles, ampoules, bulk packs, etc.
- The Indian pharmaceutical packaging industry is witnessing a spurt in growth. Today, the packaging industry in India is considered a sunrise industry and its linkages are extensive and highly employment creating. On one side, it involves manufacture (and sometimes import) of a wide range of packing material - paper, paperboard, cardboard, a range of polymer products including rigid and flexible packaging material, aluminium foil, tin and good old wood and steel. Other backward linkages of packaging including printing, labelling and binding/adhesive tapes etc. Of course, machinery for making/processing these products and for packing/packaging is another segment closely linked to this industry.

Growth will follow upward trends in global medication consumption, which will expand at a strong pace as aging demographic patterns lead to an increasing number of diseases and disorders. Pharmaceuticals will assume an expanding role in worldwide health care delivery based on new product introductions and economical advantages over other forms of patient treatment.

Besides upward trends in medication consumption, the adoption of stricter regulations and standards governing the production, storage, distribution and labelling of pharmaceuticals will boost global growth opportunities for packaging products and accessories. Historically, pharmaceutical packaging requirements focused exclusively on preserving the quality of enclosed medication. These requirements are now being extended to cover such criteria as the prevention of product tampering and counterfeiting, the assurance of product dispensing accuracy and the promotion of patient compliance with product dosage schedules.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

DEMAND DRIVERS

Growth in consumption of paper and paper products are driven by sustainable factors. Several economic factors and lifestyle changes are driving the demand of paper in India. Few of the demand drivers are listed below:

Increased demand for packaging

The Indian packaging industry is expected to grow to US\$73 billion by 2020 from \$ 32 billion in FY 2015, according to a report prepared by FICCI. Additionally, the Indian FMCG sector is growing at a rapid rate due to strong demand from a large and growing middle class. As a result, the packaging industry, growing by more than 15 percent annually, will likely increase demand for corrugated boxes, leading to increased demand for kraft papers, which is the key raw material.

Lifestyle changes

Economic development and globalization have led to an increase in per capita income and increased spending. At the same time, increased commercial activity has spurred demand for packaged goods. Lifestyle changes have also pushed up the demand for packaged foods, gift items etc. where kraft papers are also used.

Growing affluence of the population

Growth in population has led to increased consumption growth in key urban towns and rural markets. The higher consumption per capita leads to a higher demand for consumer durables where kraft papers are required.

Consumer Priorities

As kraft paper packs find themselves increasingly moving from the warehouse onto supermarket shelves, there is a demand for grades that can carry the high quality graphics that allow them to compete with other packaging formats for the shopper's attention. This is placing pressure on papermakers to develop innovative solutions to provide suitable and appropriate printing surfaces. A particular priority is to evolve solutions that can interface with digital – inkjet and toner – print technologies that enable short and customised editions of packaging creating value-adding opportunities for converters. Another key development addressing this shift has been the

introduction of ultrasonic sealing machinery. This technology can simultaneously offer a tighter closure and ejects loose material from the region of the valve seal, which enables faster and smoother filling processes that can translate into marked reductions in costs for converters.

Sustainability

One of the principal reasons kraft papers are increasingly demanded in consumer applications is the enthusiasm of both brands and customers for sustainable, recyclable packaging solutions. This impetus is also leading paper producers to bolster the environmental credentials of their sack and kraft grades. Adoption of sustainability practices has been fairly widespread throughout much of the industry and many suppliers now sport a plethora of environmental certifications – such as those approved by the Forest Stewardship Council (FSC). As environmental pressures become ever greater, it is possible that kraft and sack paper manufacturers may start to develop entire product ranges marketed on a sustainability platform. In addition to sourcing from sustainably managed forests, some kraft paper producers have also made attempts to increase the amount of recycled material used in the manufacture of their products. Across 2016-2021, sustainability certification is expected to become ever more widespread, with penetration of eco-labels increasing in parts of the world where their presence has been limited to date.

Down gauging

Pressure to reduce costs is fuelling ongoing innovation – such as the technological advances that enable much lighter weights of paper to achieve the same results. Grammages have declined significantly in the past 20 years, in some cases from 55gsm to as low as 20gsm. This shift to lighter weights increases the importance of sheet uniformity, bulk and thickness, absorbency, opacity, dimensional stability, surface finish, and printability; as well as reducing volume off take for raw material suppliers. This trend naturally cuts the weight of paper demanded, but demographic shifts in consumer markets is again helping to mitigate this. There is a wider trend in packaging towards smaller pack sizes as typical family units get smaller, so as to boost convenience and reduce food wastage for the end user. This is having an impact positive for the industry as one 500g pack consists of less material than two 250g packs, and there is a corresponding demand for more consumables, such as inks and adhesives that build the bag.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 16 of this RHP, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

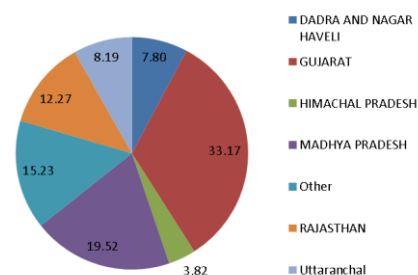
The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this RHP, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 17 and 194, respectively.

OVERVIEW

Incorporated in 2010, our Company, Astron Paper and Board Mill Limited is engaged in manufacturing of kraft paper. Within a short span of time, our Company has developed a name for itself in kraft paper industry and we have been able to establish a brand associated with qualitative and comprehensive range of kraft papers. We mainly cater to packaging industry and have been able to develop a loyal clientele network consisting of various packaging companies and MNCs. Currently we are operating in domestic markets with our products being supplied on PAN India basis. We are also in the process of exploring export markets.

We believe that we are one of the major kraft paper manufacturers in Gujarat with our manufacturing facility having an installed capacity of 96,000 mt p.a. as on the date of this RHP. Our manufacturing facility is situated at Halvad, Gujarat and is well equipped with requisite plant and machineries and other facilities. We also have in house testing laboratory for quality control checks and testing of our products. We endeavour to maintain safety in our premises by adhering to key safety norms. Our manufacturing and dispatch process has been assessed and certified as meeting the requirements of ISO 9001: 2015, ISO 14001: 2015 by an international organisation viz. SGS United Kingdom Ltd. With increasing environmental awareness, our Company has since its inception adopted the use of waste paper as raw material instead of traditional usage of wood. The process of manufacturing Kraft paper involves recycling of waste paper and with many organisations, now supporting the Go Green Campaign, it increases the demand of FSC certified Kraft paper as the same is eco friendly. We have been environmentally conscious and our products have been certified as meeting relevant FSC Standards since 2014 by SGS South Africa (Pty) Ltd.

Geographical Customer Presence for FY 2016-17



Our product Kraft paper is used by packaging industry for manufacturing corrugated boxes and liners, corrugated sacks and composite containers. We offer varied products like High RCT, Kraft Liner, Liner to Corrugated Medium Paper, ranging mainly from 140 GSM to 350 GSM and 22-35 BF. We endeavor to serve our customers, each having different requirements of Ring Crust test (RCT), Gram square meter (GSM) and weight pressure. Our Company mainly imports raw material for ensuring better quality of output. We have also been accredited with Authorised Economic Operator- T1 Certificate (Importer and Exporter) which provides us with certain benefits in relation to our imports and helps in cost savings.

Our Company is promoted by Kirit G. Patel, Ramakant Patel, Karshanbhai Patel and Asian Granito (India) Limited.

Our Individual Promoters manage and control the major affairs of our business operations. With their dedication and commitment, our Company has shown an increasing trend in our business operations which is evidenced by the growth in our total income from Rs. 267.27 million in FY 2012-13 to Rs. 1,845.89 million in FY 2016-17. We believe that our market position has been achieved by adherence to the vision of our Promoters and senior management and their experience.

Our registered office is situated at Ahmedabad. We have a dedicated marketing team who continuously interacts with customers to understand their requirements and analyse the market dynamics. We have also been actively participating and associated with the Federation of Corrugated Box Manufacturers of India and Indian Corrugated Case Manufacturers Association. We aim to establish our brand as a distinguished name in industry.

From FY 2013-14 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 1,061.98 million to Rs. 1,845.89 million, representing a CAGR of 14.82% ii) our EBITDA has shown growth from Rs. 113.32 million to Rs. 230.06 million, representing a CAGR of 17.95% iii) our profit after tax has shown growth from Rs. a loss of Rs. (30.21) million to a profit of Rs. 99.59 million and iv) our Return on networth has shown a growth from (12.78)% to 21.98%. Our restated total revenue, EBITDA and profit after tax for the six months ended September 2017 was ₹ 1,109.61 million, ₹ 146.20 million and ₹ 94.55 million respectively, with an EBITDA margin of 13.18% and PAT margin of 8.52%.

OUR COMPETITIVE STRENGTHS

Our experienced management and dedicated employee base

Our operations commenced under the guidance of our individual Promoters Kirit G. Patel, Ramakant Patel and Karshanbhai Patel, who have successfully managed various phases of expansion and growth of our business and operations. Our Chairman and Managing Director Kirit G. Patel has around two decades experience in paper packaging industry and has been instrumental in formulating growth strategy for our Company. Further our Promoter Ramakant Patel has more than two decades experience in packaging industry and has with his experience developed and maintained cordial relationships with customers. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Individual Promoters are supported by a dedicated management team with several years of industry experience in their respective domains of sales, marketing, strategy and finance. For further details regarding our Key Managerial Personnel, please refer to the chapter titled “Our Management” beginning on page 167 of this RHP.

Scalable Business Model

Over the years, our Company has been able to achieve capacity utilisation of over 75% at our manufacturing facility at Halvad, thus enabling us to add capacities on a regular basis to serve our existing customers as well as to add new customers. Our business model is order driven, and comprises of optimum utilization of our manufacturing facilities, maximum capacity utilization, developing linkages with raw material suppliers and achieving consequent economies of scale. From 42600 MTPA, we have doubled our capacity to 96000 MTPA. We believe that this business model has helped us to scale up our capacities as per the requirement generated by our Company in past. We believe that further scaling up of the capacities is necessitated due to the development of new markets, aggressive marketing of the product, meeting customer specific requirements and by maintaining the consistent quality of the product.

Quality certifications

Our Company believes in qualitative manufacturing and adheres to various qualitative standards. Our products undergo quality check at various levels of production to ensure that any quality defects or product errors are rectified on real time basis. Our manufacturing and dispatch process has been assessed and certified as meeting the requirements of ISO 9001: 2015, ISO 14001: 2015 by an international organisation viz. SGS United Kingdom Ltd. We also have an in-house laboratory for conducting various tests for further improvements in paper technology. We have been environmentally conscious and our products have been certified as meeting relevant FSC Standards since 2014 by SGS South Africa (Pty) Ltd. Accordingly, this has helped in increasing demand for our products viz. FSC certified kraft papers by reputed organisations due to the increasing awareness of forest conservation and many organisations supporting go green campaigns.

Our qualitative approach has helped us obtained status of a recognised vendor with large corporate houses and MNCs. Such MNCs/ corporate houses require their corrugators to source the kraft paper for their corrugated boxes from their list of approved vendors only.

Repeat orders

We believe that meeting customer specific requirements and delivery of orders is key factor for growth. Our Company has made continuous efforts to ensure customer satisfaction by taking steps for meeting customer specific requirements, timely delivery of orders to our customers as well as maintaining consistency in quality and this has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers. The Proposed additional manufacturing facility is one of the steps taken by our management towards meeting the requirements of our existing customers.

Location Advantages

Our manufacturing unit is strategically located in terms of access to key raw materials. Our existing manufacturing facility is located in Halvad, Morbi which is approx. 200 Kms away from Mundra Port and facilitates ease of import. Further our Company is accredited with Authorised Economic Operator T1 certificate. The certificate entitles us to many benefits such as it accords better facilitation in imports and export of our consignments, thereby ensuring shorter cargo release time, facility of Direct Port Delivery (DPD) of our import Containers and/ or Direct Port Entry (DPE) of their Export Containers. Our manufacturing facility is also well connected with Road to cater to the demand of our domestic customers. We believe that our manufacturing facility will help us cater to the demand for our products in markets within and outside India.

BUSINESS STRATEGY

We envisage long term growth by supplying qualitative products and efficient services and building long term relations with customers. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing range of products and services with specific emphasis on the following factors as business and growth strategy:

Setting up of additional manufacturing facility which will increase our product range

Expansion of our manufacturing capacities is a continuous process to support our growth. We are setting up additional manufacturing facility to manufacture Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F. The proposed facility will ensure to meet the requirements of the customers who require lower GSM and lower B.F Kraft paper. This facility will complement our existing capacity as the Kraft paper used in inner layer of corrugated boxes is generally of lower GSM and lower B.F which was not manufactured by us till now. This will increase range of product for our existing customer.

Expand our domestic geographical reach through marketing network

To expand our business, we intend to aggressively penetrate in the domestic markets and expand our domestic market presence by expanding our sales and distribution network. To augment our efforts in increase in sales of our products, we intend to deploy additional field force consisting of sales and marketing representatives who shall meet our customers/ prospective customers to market our product. Further in line with the increasing sale of products through online retail, the potential for the packaging industry may increase and thereby the demand for Kraft paper for manufacturing corrugated boxes may also increase.

Continue to improve operating efficiencies through technology enhancements

We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels.

We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

Forward integration

We aim to enter into packaging industry and thereby expanding our business operations. We believe that we can have an edge over our competitors in corrugated boxes manufacturing industry with our kraft paper manufacturing facility, being our distinguished strength as Kraft paper is one of the key raw material for manufacturing of corrugated boxes.

SWOT ANALYSIS

Strengths:

- **Promoter's experience**

Our Chairman and Managing Director, Kirit G. Patel has around two decades experience in paper packaging industry and has been instrumental in formulating growth strategy for our Company. Further our Promoter Ramakant Patel has more than two decades experience in packaging industry and has with his experience developed and maintained cordial relationships with customers. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

- **Location**

Our manufacturing facility is situated at well-developed industrial area, with all the infrastructure facilities and both skilled and unskilled manpower are available at competitive cost.

Weakness:

- **Environmental Pollution**

Paper production causes adverse effects to the quality of air, water and land. Paper Recycling is also a source of pollution. It comes under pollution control regulations. However, our Company ensures that we follow environmental laws as stipulated by the State and Central Pollution control board.

- **Rising Raw Materials Costs**

Availability of raw materials is one of the biggest barriers to growth of the industry. India depends on wood, recycled paper, and residues from the agriculture industry for its pulp needs, and the supply of each is limited and problematic. We use imported waste paper as raw material in our manufacturing process which is qualitative and sorted

- **Higher capacity utilization in global industry**

The higher utilization of capacity in global industry is another challenge in this industry. The Indian paper industry is highly fragmented with capacities ranging from less than 10 tonne to 600 tonne a day. Currently there are about 450 paper mills operating in the country. In comparison, paper mills in Indonesia, Brazil, Scandinavia and the US have a capacity range of 300 to 3,000 tonne a day.

Opportunity:

- **Increase in Demand For Packaging**

Raw material for corrugated box is Kraft paper. Corrugated box packaging is expected to find major applications in the food and beverages industry. Thus, the growth of the industry, in turn, is expected to drive growth of the corrugated box market over the forecast period. The increase in consumer awareness pertaining to use of recycled products is anticipated to further boost the demand for recycled paper packaging products, thereby driving growth of the market over the forecast period.

- **Consumer Priorities**

As kraft paper packs find themselves increasingly moving from the warehouse onto supermarket shelves, there is a demand for grades that can carry the high quality graphics that allow them to compete with other packaging formats for the shopper's attention.

- **Exploring Export Markets**

There will be increasing demand for packaged goods which will in turn help Indian Companies to export their product into global market. The increase use of packaged goods will boost the demand for the Kraft Paper Manufacturing Company.

Threats

- **Competition**

Paper making does not require any special skills which can be attributed to a particular company. The person / organization, capable of investment of such large size projects, can install the project and create competition for other companies.

- **Government Regulation**

As the paper making involves discharge of effluent materials, it comes under heavy scrutiny of pollution control board. Improper disposal may get sanction from pollution control board and hamper the project.

[Source: CARE Advisory Research & Training Limited]

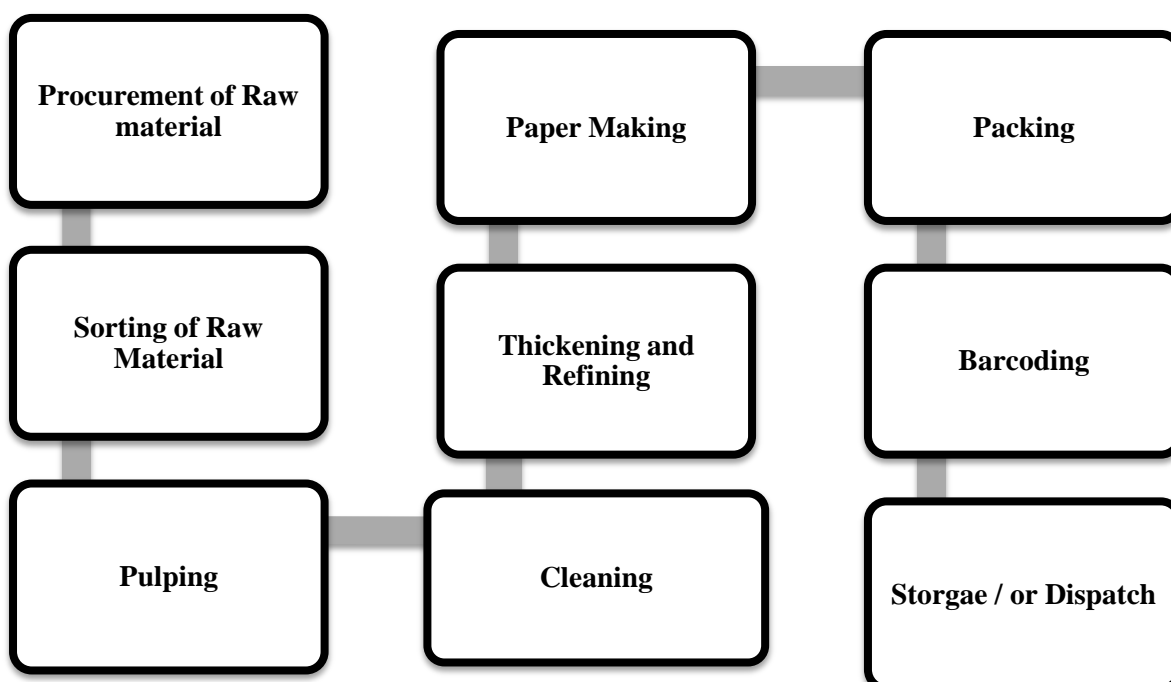
OUR PRODUCTS

Our Company is mainly engaged in manufacturing of Kraft Papers. We offer wide range of products ranging from High RCT, Kraft Liner, Liner to Corrugated Medium Paper, ranging mainly from 140 GSM to 350 GSM and 22-35 BF. These products are used in corrugation industry for manufacturing various types of packaging boxes and packaging products.

Product Type	Specifications
High RCT Paper	GSM Range: 135-185 Thickness range: 175-225 μ COBB (60 second): Top-40-50; Bottom-40-50 Moisture:6.0-8.0%
Kraft Liner	GSM Range: 145-365 BF range: 22-35 Thickness range: 190-450 μ COBB (60 second): Top-40-50; Bottom-40-50 Moisture:6.0-9.0%
Liner	GSM Range: 145-365 BF range: 22-35 Thickness range: 190-450 μ COBB (60 second): Top-40-50; Bottom-40-50 Moisture:6.0-9.0%
Corrugated Medium Paper	GSM Range: 135-205 BF range: 18-24 Thickness range: 180-260 μ COBB (60 second): Top-50-60; Bottom-50-60 Moisture:7.0-9.0%

OUR MANUFACTURING PROCESS

Our manufacturing process for Kraft paper is as follows:



SUMMARY FINANCIAL INFORMATION

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount Rs. In Million)

Particulars	Annexure	As At September 30, 2017	As At March 31,				
			2017	2016	2015	2014	2013
EQUITY AND LIABILITIES							
<u>I. Shareholders' Funds</u>							
a. Share Capital	VI	325.00	325.00	325.00	325.00	310.00	270.00
b. Reserves & Surplus	VII	215.30	128.19	28.59	(32.25)	(73.54)	(43.33)
II. Share Application Money Pending Allotment		-	-	-	-	-	0.04
<u>III. Non-Current Liabilities</u>							
a. Long Term Borrowings	VIII	347.82	384.87	332.07	323.39	370.02	445.54
b. Deferred Tax Liabilities	IX	19.89	43.50	58.44	55.72	37.33	21.16
c. Other Long Term Liabilities	X	41.00	41.06	129.16	86.00	86.87	80.75
d. Long Term Provisions	XI	1.89	1.43	1.40	0.80	0.31	0.18
<u>IV. Current Liabilities</u>							
a. Short Term Borrowings	XII	513.78	426.91	371.31	328.54	283.62	112.98
b. Trade Payables	XIII	250.13	252.31	219.43	175.76	155.93	135.78
c. Other Current Liabilities	XIV	89.57	105.61	105.67	99.63	95.78	84.48
d. Short Term Provisions	XV	18.63	18.63	13.39	9.82	-	-
T O T A L (I+II+III+IV)		1,823.01	1,727.51	1,584.46	1,372.42	1,266.30	1,107.58
ASSETS							
<u>V. Non -Current Assets</u>							
a. Fixed Assets	XVI						
i. Tangible Assets		939.77	918.67	843.21	726.30	712.94	663.48
Less: Accumulated Depreciation		(145.59)	(128.94)	(96.48)	(68.68)	(42.08)	(10.45)
ii. Intangible Assets (Net)		0.46	0.86	0.81	0.78	0.19	0.19
iii Capital Work in Progress		16.90	13.88	-	10.79	3.08	11.79
Net Block		811.54	804.48	747.53	669.19	674.14	665.01
b. Non-Current Investments	XVII	0.03	0.03	-	0.50	0.50	0.30
c. Long Term Loans & Advances	XVIII	0.13	0.13	0.18	0.21	0.07	0.07
<u>VI. Current Assets</u>							
a. Current Investment	XIX	-	-	0.53	-	-	-
b. Inventories	XX	415.23	423.64	352.87	341.61	230.06	142.66
c. Trade Receivables	XXI	464.38	349.28	371.41	285.45	284.24	150.53
d. Cash and Cash Equivalents	XXII	62.17	60.60	52.98	33.54	28.23	69.99
e. Short Term Loans & Advances	XXIII	69.53	89.35	58.79	41.75	48.82	79.03
f. Other Current Assets	XXIV	-	-	0.16	0.16	0.24	-
T O T A L (V+VI)		1,823.01	1,727.51	1,584.46	1,372.42	1,266.30	1,107.58

Notes:

The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

RESTATED STATEMENT OF PROFIT AND LOSS

(Amount Rs. In Million)

Particulars	Annexure	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
			2017	2016	2015	2014	2013
I. INCOME							
Revenue from Operations	XXV	1,109.52	1,832.65	1,574.94	1,519.13	1,058.39	265.94
Other Income	XXVI	0.09	13.24	3.60	2.24	3.59	1.34
TOTAL REVENUE (I)		1,109.61	1,845.89	1,578.53	1,521.37	1,061.98	267.27
II. EXPENSES							
Cost of Raw Materials Consumed	XXVII	721.95	1,106.27	984.32	970.26	690.22	210.75
Purchase of Stock-in-Trade	XXVIII	-	56.55	17.91	-	-	-
Changes in Inventories of Finished Goods, Traded Goods and Work-in-progress	XXIX	(19.76)	11.39	0.08	(5.07)	4.81	(40.36)
Employee Benefit Expenses	XXX	42.20	77.22	66.33	63.77	53.10	15.68
Finance Costs	XXXI	58.21	112.95	107.01	106.96	95.44	29.59
Depreciation and Amortisation Expense	XXXII	17.05	32.45	27.94	26.60	31.92	10.06
Other Expenses	XXXIII	219.02	364.40	311.38	299.17	200.54	62.15
TOTAL EXPENSES (II)		1,038.67	1,761.24	1,514.97	1,461.69	1,076.02	287.88
III. RESTATED PROFIT/(LOSS) BEFORE TAX (I-II)		70.94	84.66	63.56	59.68	(14.05)	(20.60)
IV. Tax Expenses							
Current Tax		14.91	18.63	13.39	9.82	-	-
MAT Credit Available		(14.91)	(18.63)	(13.39)	(9.82)	-	-
Deferred Tax		(23.61)	(14.94)	2.72	18.39	16.17	20.88
TOTAL TAX EXPENSES (IV)		(23.61)	(14.94)	2.72	18.39	16.17	20.88
V. RESTATED PROFIT FOR THE YEAR (III-IV)		94.55	99.59	60.85	41.29	(30.21)	(41.48)

Notes:

The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

RESTATED STATEMENT OF CASH FLOWS

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
<u>I. Cash Flows From Operating Activities:</u>						
Net Profit Before Tax as per Restated Statement of Profit And Loss	70.94	84.66	63.56	59.68	(14.05)	(20.60)
Adjusted for:						
Preliminary Expenses w/off	-	-	-	0.11	0.20	1.98
Loss on Sale of Fixed Assets	-	-	0.08	-	0.38	-
Profit on Sale of Investments	-	(0.13)	-	-	(0.06)	-
Depreciation & Amortisation	17.06	32.45	27.94	26.60	31.92	10.06
Provision For Doubtful Debts	-	3.71	-	-	-	-
Provision For Gratuity	0.45	-	-	-	-	-
Interest & Finance Cost	58.21	97.59	94.71	98.69	87.92	25.95
Interest Income	-	(4.04)	(2.37)	(1.94)	(1.80)	(0.94)
Foreign Exchange Loss (Net)	-	9.79	10.42	12.63	18.88	1.93
Other Expenses	(0.09)	-	-	-	-	-
Rent Income	(0.09)	(0.36)	(0.36)	(0.24)	(0.39)	(0.36)
Operating Profit Before Working Capital Changes (As Restated)	146.48	223.68	193.99	195.53	123.00	18.02
Adjusted for (Increase)/ Decrease:						
Trade Receivables	(115.10)	18.43	(85.96)	(1.21)	(133.71)	(150.53)
Inventories	8.40	(70.76)	(11.27)	(111.55)	(87.40)	(121.67)
Loans and Advances	19.70	(9.37)	(1.41)	19.26	30.64	(15.08)
Long Term Liabilities	-	(88.10)	43.15	(0.86)	6.11	-
Trade Payables	(2.18)	17.70	31.04	4.65	1.26	115.77
Current Liabilities	(1.65)	2.37	(2.30)	1.72	(5.50)	(1.91)
Other Non -Current Assets	-	-	-	(0.06)	-	-
Cash Flows Generated From/(Used) in Operations	55.65	93.95	167.25	107.47	(65.60)	(155.40)
Direct Tax Paid	-	(13.95)	(10.31)	(0.25)	(0.49)	(0.17)
Net Cash Flows From/(Used in) Operating Activities: (I)	55.65	80.00	156.94	107.22	(66.09)	(155.58)
<u>II. Cash Flow From Investing Activities:</u>						
Purchase of Fixed Assets	(24.10)	(89.41)	(106.14)	(21.65)	(42.11)	(271.44)
Sale of Fixed Asset	-	-	0.42	-	0.68	-
Proceeds from Sale of Investment/Mutual Fund	-	0.63	-	-	0.36	-
Investments in Shares/Mutual Funds	-	-	(0.53)	-	(0.50)	-
Interest Income	-	4.04	2.37	1.94	1.80	0.94
Rent Income	0.09	0.36	0.36	0.24	0.39	0.36

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Net Cash Flow From/(Used in) Investing Activities: (II)	(24.01)	(84.38)	(103.52)	(19.47)	(39.38)	(270.14)
III. Cash Flows from Financing Activities:						
Proceeds From Share Capital/Securities Premium	-	-	-	15.00	40.00	140.75
Repayment of Share Application Money	-	-	-	-	(0.04)	-
Capital Raising Expenses	(7.22)	-	-	(0.11)	(0.20)	(1.35)
Increase/(Decrease) Long Term Borrowing	(51.51)	51.13	18.04	(43.57)	(58.77)	264.14
Increase/ (Decrease) in Short Term Borrowing	86.87	58.46	42.70	44.93	170.63	104.91
Interest & Financial Charges	(58.21)	(97.59)	(94.71)	(98.69)	(87.92)	(25.95)
Net Cash Flow From/(Used in) Financing Activities (III)	(30.07)	12.00	(33.98)	(82.45)	63.71	482.51
IV. Net Increase/(Decrease) in Cash & Cash Equivalents (I+II+III)	1.57	7.62	19.44	5.31	(41.76)	56.79
V. Cash & Cash Equivalents As At Beginning of the Year	60.60	52.98	33.54	28.23	69.99	13.21
VI. Cash & Cash Equivalents As At End of the Year (IV+V)	62.17	60.60	52.98	33.54	28.23	69.99

Emphasis of matter

We draw attention to the following matters in the Notes to the Financial Statements:

- I. Notes No. 34(c) relating to the non-provision for doubtful debts amounting to Rs. 59,11,028 /-.
- II. Notes No. 34(d)(1) relating to the disputed CENVAT of Excise amounting to Rs. 26,43,260/- and appropriate interest as per Excise Law and Penalty of Rs. 26,43,260/-.
- III. Notes No. 34(d)(4) relating to the disputed Income Tax Amount of Rs. 3,88,500/- for the A.Y. 2013-14.
- IV. Notes No. 34(d)(5) relating to the disputed Income Tax Amount of Rs. 4,36,400/- for the A.Y. 2014-15.

Action taken by management

With respect to non-provision of doubtful debts, the Company has filed a suit under the Negotiable Instruments Act, 1881 on the respective debtors. In view of the management of the Company since the matters are pending before respective statutory authorities, it is most likely that the company will be able to recover the amount from the doubtful debtors on adjudication of matters and hence the company has not made any provision against the doubtful debts of Rs. 5.91 million.

With respect to disputed Cenvat of Excise, the company had preferred an appeal before the Assistant Commissioner of Central Excise, Surendranagar. The Assistant Commissioner vide his order dated 25th January, 2017 has confirmed the disallowance of CENVAT Credit of Rs. 26,43,260/-. The company has reversed the CENVAT Credit of Rs. 26,43,260/- in the books on 01/06/2016. The company has reversed the CENVAT Credit in the books which has been shown as Pre-deposit of Excise as "Short Term Loans & Advances" in the financial statements. Further, Assistant Commissioner had ordered charging of interest as per the Central Excise Law and imposed penalty of Rs. 26,43,260/-. Being dissatisfied with the order, the company had preferred an appeal before Commissioner of Appeals, Central Excise, Rajkot on 27th March, 2017. The matter was pending before the Commissioner of Appeals, Central Excise, Rajkot for its final disposal as at the end of the financial year.

With respect to disallowance of preliminary expenses of Rs. 3,88,500/-, the Company had preferred an appeal before the CIT-A-1, Ahmedabad, who had also confirmed the amount disallowed by the Income Tax Officer. Against the order of CIT-A-1, the company had further preferred an appeal before Ho'nable ITAT, Ahmedabad. The appeal before the Ho'nable ITAT is pending for adjudication. In view of the management of the company, the company is eligible to claim expenditure disallowed U/s. 35D of the Income Tax Act, 1961 and hence has not made any provision for amount disallowed amounting to Rs. 3,88,500/-.

With respect to disallowance of preliminary expenses of Rs. 4,36,400/-, the Company had preferred an appeal before the CIT-A-1, Ahmedabad. The appeal before the Ho'nable CIT-A-1, Ahmedabad is pending for adjudication. In view of the management of the company, the company is eligible to claim expenditure disallowed U/s. 35D of the Income Tax Act, 1961 and hence has not made any provision for amount disallowed amounting to Rs. 4,36,400/-.

THE ISSUE

Particulars	Number of Equity Shares
Public Issue ⁽¹⁾	Upto 1,40,00,000 Equity Shares aggregating upto ₹ [●] Million.
<i>Of Which:</i>	
Employee Reservation Portion ⁽³⁾ .	Upto 7,00,000 Equity Shares aggregating upto ₹ [●] Million.
<i>Of which:</i>	
Employees of the Company	Upto [●] Equity Shares
Employees of the Corporate Promoter	Upto [●] Equity Shares
<i>Therefore,</i>	
Net Issue of Equity Shares to Public.	[●] Equity Shares.
<i>Of which</i>	
A) QIB Portion ⁽²⁾	[●] Equity Shares.
<i>Of Which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion	[●] Equity Shares.
Balance for all QIBs including Mutual Funds	[●] Equity Shares.
B) Non-Institutional Portion ⁽²⁾	Not less than [●] Equity Shares.
C) Retail Portion ^{(2) (3)}	Not less than [●] Equity Shares.
Equity Shares outstanding prior to the Issue	3,25,00,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares.
Use of Net Proceeds	Kindly refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 98 of this Red Herring Prospectus for information about the use of the Net Proceeds.

Notes:

Allocation to Bidders in all categories if any, except the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price.

⁽¹⁾ *The Issue has been authorised by the Board pursuant to its resolution passed on May 1, 2017 and the Shareholders pursuant to the resolution passed at the Annual General Meeting held on May 23, 2017.*

⁽²⁾ *Under-subscription, if any, in any category, other than the QIB category, would be allowed to be met with spill over from any other category or combination of categories of Bidders (including the Employee Reservation Portion) at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to applicable law.*

⁽³⁾ *The Employee Discount, if any, will be determined by the Company in consultation with the BRLM and will be offered to Eligible Employees, at the time of making a Bid. Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Employee Discount), at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Retail Individual Bidders must ensure that the Bid Amount, does not exceed ₹200,000. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). Retail Individual Bidders and Eligible Employees should note that while filling the “SCSB/Payment Details” block in the Bid cum Application Form, Retail Individual Bidders and Eligible Employees must mention the Bid Amount.*

For further details regarding the Issue Structure and Procedure, kindly refer to the chapters titled “*Issue Structure*” and “*Issue Procedure*” beginning on pages 259 and 265, respectively of this Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as a public limited company on December 29, 2010 under the provisions of the Companies Act, 1956 as Astron Paper and Board Mill Limited in Gujarat vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 29, 2010. Our Company also obtained the Certificate of Commencement of Business on February 3, 2011 from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. For further details please see the chapter titled "History and Certain Corporate Matters" beginning on page 163 of this RHP.

REGISTERED AND CORPORATE OFFICE OF OUR COMPANY:

Astron Paper and Board Mill Limited,
D-702, Seventh Floor,
Ganesh Meridian,
S.G. Highway,
Ahmedabad - 380060,
Gujarat, India.

Tel No: + 91-79-40081221

Fax No: + 91-79-40081220

Email: cs@astronpaper.com

Website: www.astronpaper.com

Registration Number: 063428

Corporate Identification Number: U21090GJ2010PLC063428

For details relating to changes in our registered office, see the section titled "History and Certain Corporate Matters - Changes in Registered Office" on page 163 of this RHP.

ADDRESS OF REGISTRAR OF COMPANIES:

Our Company is registered with the RoC - Ahmedabad situated at the following address:

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

Tel No: 079-27437597,

Fax No: 079-27438371

BOARD OF DIRECTORS:

The Board of our Company comprises of the following:

Name	DIN	Designation	Address, Age and Occupation
Mr. Kirit G. Patel	03353684	Chairman and Managing Director	Address: 302, Status Tower-2, Near Manav Mandir, Memnagar, Ahmedabad, Gujarat, India-380052. Age : 44 Occupation: Business
Mr. Ramakant Patel	00233423	Executive Director	Address: C/25, Sentossa Greenland, Science City Road, Rakanpur, Gandhinagar, Gujarat, India-382721. Age : 51 Occupation: Business
Mr. Karshanbhai Patel	00048167	Executive Director	Address: 01/ Gokuldharm, Daramali, Idar, Sabarkantha, Gujarat, India-383431. Age : 64

Name	DIN	Designation	Address, Age and Occupation
			<i>Occupation:</i> Business
Mr. Kanubhai Patel	00386852	Executive Director	<i>Address:</i> Plot- 1029, Sector- 2/D, Gandhinagar-382006, Gujarat India. <i>Age :</i> 39 <i>Occupation:</i> Business
Dr. Shyam Agrawal	03516372	Additional Independent Director	<i>Address:</i> Tara Sadan, Maha Mandir Bagh, Ram Leela Maidan, Sikar-332001, Rajasthan, India <i>Age :</i> 38 <i>Occupation:</i> Professional
Mr. Sudhir Maheshwari	07827789	Additional Independent Director	<i>Address:</i> 303, Status-II, NR-Manavmandir, Memnagar, Ahmedabad-380052 Ahmedabad Gujarat India <i>Age :</i> 45 <i>Occupation:</i> Professional
Ms. Chaitali Parikh	07189130	Independent Director	<i>Address:</i> 6, Malhar Apt, Ambawadi Bazar, Ahmedabad, Gujarat, India-380006. <i>Age :</i> 26 <i>Occupation:</i> Service
Mr. Sanjiv Srivastava	07361850	Independent Director	<i>Address:</i> 202, Ishwarkrupa Appt, 19, Chapaner Society, Usmanpura Ahmedabad – 380013, Ahmedabad Gujarat, India. <i>Age :</i> 60 <i>Occupation:</i> Business

For further details, please refer to the Chapter titled “Our Management” beginning on page 167 of the RHP.

COMPANY SECRETARY AND COMPLIANCE OFFICER:

Mr. Uttambhai Patel
Astron Paper and Board Mill Limited,
D-702, Seventh Floor,
Ganesh Meridian,
S.G. Highway,
Ahmedabad - 380060,
Gujarat, India.
Tel No: + 91-79-40081221
Fax No: + 91-79-40081220
Email: cs@astronpaper.com
Website: www.astronpaper.com

CHIEF FINANCIAL OFFICER:

Mr. Parth Patel
Astron Paper and Board Mill Limited,
D-702, Seventh Floor,
Ganesh Meridian,
S.G. Highway,

Ahmedabad - 380060,
Gujarat, India.
Tel No: + 91-79-40081221
Fax No: + 91-79-40081220
Email: ca@astronpaper.com

Bidders are advised to contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of funds by electronic mode etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, the Bid amount paid on submission of the Bid cum Application Form and the bank branch or collection centre where the application was submitted.

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

BOOK RUNNING LEAD MANAGER:

Pantomath Capital Advisors Private Limited,
406-408, Keshava Premises
Bandra Kurla Complex, Bandra East
Mumbai – 400 051
Tel: +91 22 6194 6700
Fax: +91 22 2659 8690
Email: ipo@pantomathgroup.com
Investor Grievance Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Madhu Lunawat
SEBI Registration No: INM000012110

LEGAL COUNSEL TO THE COMPANY:

M/s. Kanga and Company,
Advocates & Solicitors,
Readymoney Mansion,
43, Veer Nariman Road,
Mumbai – 400 001.
Tel No: +91 22 6623 0000
Fax No: +91 22 6633 9656/6633 9657
Email: chetan.thakkar@kangacompany.com
Contact Person: Mr. Chetan Thakkar

STATUTORY AUDITORS TO OUR COMPANY:

M/s. S.N. Shah & Associates,
Chartered Accountants.
Span House, 10 B,
Government Servant Co-Op. Housing Society,
Opp. Municipal Market,

C.G. Road,
Navrangpura,
Ahmedabad – 380 009.
Tel No: 079 40098280
Email: snshah_asso@hotmail.com
Firm registration number: 109782W

Our Auditors, by their certificate dated June 14, 2017, have confirmed that pursuant to a peer review process conducted by the Institute of Chartered Accountants of India, they hold a valid certificate dated June 6, 2017 issued by the Peer Review Board of the Institute of Chartered Accountants of India and are eligible to examine the financial information as per the requirements of the SEBI Regulations.

REGISTRAR TO THE ISSUE:

Link Intime India Pvt. Ltd.
C-101, 247 Park,
1st Floor, LBS Marg, Vikhroli (W),
Mumbai-400083
Tel: 022 49186200
Fax: 022 49186195
Email: astron.ipo@linkintime.co.in
Investor Grievance E-mail: astron.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

BANKERS TO OUR COMPANY:

Union Bank of India
Karaka Building No.1,
Near Gujarat Chambers of Commerce and Industry,
Ashram Road
Ahmedabad-380009
Tel: 079 26585314
Fax: 079 26589855
Email: cbsellisbridge@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: K.S. Deshmuk

State Bank of India
Commercial Branch,
Ahmedabad.
Tel: 079 26577380
Fax: 079 26580803
Email: sbi.06926@sbi.co.in
Website: www.sbi.co.in
Contact Person: Manas Kumar

SYNDICATE MEMBERS

Pantomath Stock Brokers Private Limited,
108, Madhava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra East,
Mumbai 400051
Tel : +91 22 42577000
Fax : +9122 26598692
Email : broking@pantomathgroup.com
Website : www.pantomathbroking.com
Contact Person : Mahavir Toshniwal

SEBI Reistration No. : INZ000068338

Ajmera Associates Limited

Ajmera House, 4th Floor, Pathakwadi,
Mumbai 400002,

Tel : +91 22 40628888

Fax : +91 22 40628989

Email : compliance@ajmera.co.in

Contact Person: Ashish K Ajmera

SEBI Registration Number: BSE Cash: INB011185833, F&O: INF011185833

NSE Cash: INB231185837, F&O: INF231185837

CDS: INE231185837

Sykes and Rays Equities (I) Limited,

3rd Floor, Cama Building

Dalal Street, Fort

Mumbai —400 001.

Tel: +91 22 61937300

Fax: +91 22 22650575

Email: info@sre.co.in

Contact Person: Bhushan Khandekar

SEBI Registration Number: INB 0101727734

Choice Equity Broking Private Limited,

Choice House, Shree Shakhambhari Corporate Park,

Chakravarti Ashok Co-operative Hosuing Society,

Plot No. 156-158

J BNagar, Andheri (E), Mumbai-400099

Tel: +91 22 6707 9999

Fax: +91 22 6707 9898

Email: compliance@choiceindia.com, sme@choiceindia.com

Contact Person: Mr. Premkumar Harikrishnan

SEBI Registration Number: INB231377335

Nirmal Bang Securities Private Limited

388, 2nd Floor, Khatatu Building, Alkesh Dinesh Modi Marg, Fort, Mumbai- 4000023

Tel : +91 3926050

Fax : +91 39269010

Email : jignesh.shah@nirmalbang.com

Contact Person: Jignesh Shah

SEBI Registration Number: BSE SEBI Reg. No. INB011072759 & INF011072759, NSE SEBI Reg. No.

INB230939139 & INF230939139

Rikhav Securities Limited,

35-B, Matru Chhaya, S.N Road, Mulund West, Mumbai 400080

Tel: +91 22 25935353

Fax: +91 22 25935300

Email: info@rikhav.net

Contact Person: Vishal Patel

SEBI Registration Number: INB011280436

BANKERS TO THE ISSUE

ICICI Bank Limited,

Capital Market Division,

1st Floor, 122, Mistry Bhavan,

Dinshaw Vachha Road,

Backbay Reclamation,

Churchgate,

Mumbai —400 020.

Tel: +91 22 66818932
Fax: +91 22 22611138
Email: shradha.salaria@icicibank.com
Website: www.icicibank.com
Contact Person: Ms. Shradha Salaria
SEBI Registration Number: INBI00000004

HDFC Bank Limited,
FIG-OPS Department,
Lodha, I Think Techno Campus,
O-3 Level, Kanjurmarg (East),
Mumbai - 400 042
Tel: +91 22 30752927/28/2914
Fax: +91 22 25799801
Email: Vincent.Dsouza @hdfcbank.com,
Siddharth.Jadhav@hdfcbank.com,
prasann.uchil@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Vincent Dsouza,
Siddharth Jadhav, Prasann Uchil
SEBI Registration Number: INBI00000063

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> as updated from time to time. For details of the Designated Branches of SCSBs which shall collect Bid cum Application Forms, refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form are provided on the aforementioned website of SEBI.

REGISTERED BROKERS

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit the Bid cum Application Forms to Registered Brokers at the Broker Centres.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at <http://www.bseindia.com> and <http://www.nseindia.com>, respectively.

STATEMENT OF RESPONSIBILITIES

Pantomath Capital Advisors Private Limited is the sole 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.

CREDIT RATING

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

IPO GRADING OF THE ISSUE

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

EXPERTS

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

Our Company has received written consent from the Auditor, who holds a valid peer review certificate, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this RHP and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the examination report dated November 7, 2017 of the Auditor on the Financial Information, as restated, of our Company; audit report dated November 7, 2017 on the Special Purpose Interim Condensed Ind AS Financial Statements of our Company and the statement of tax benefits dated June 14, 2017, included in this RHP and such consents have not been withdrawn as on the date of this RHP.

TRUSTEES

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

MONITORING AGENCY

The proposed funds requirement is not appraised by any Bank/Financial Institution. As the net proceeds of the Issue will be less than ₹ 1,000 Million, under the SEBI Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

Although in terms of the SEBI (LODR) Regulations, 2015 the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

APPRAISING AGENCY

The additional manufacturing facility proposed to set up by the Company has been appraised by CARE vide their Appraisal Report having the following details:

CARE Advisory Research and Training Limited,

4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Sion (East),
Mumbai – 400 022.

Tel No: +91 22 67543456

Fax No: +91 22 67543457

Email: vishal.channe@care-advisory.com

Contact Person: Vishal Channe

COLLECTING DEPOSITORY PARTICIPANTS

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

The list of the CDPs, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at <http://www.bseindia.com> and <http://www.nseindia.com>, respectively.

COLLECTING RTAs

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

The list of Collecting RTAs, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at <http://www.bseindia.com> and <http://www.nseindia.com>, respectively.

BOOK BUILDING PROCESS

The book building, in context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company in consultation with the BRLM, and advertised in all editions of Business Standard, which is a widely circulated English and Hindi newspaper; and Ahmedabad edition of Financial Express which is a widely circulated Gujarati newspapers, Gujarati being the regional language of Gujarat, where our Registered Office is located, at least five Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of upload on its website. The Issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- (1) Our Company;
- (2) the BRLM;
- (3) the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
- (4) the Registrar to the Issue;
- (5) the Escrow Collection Banks/ Bankers to the Issue;
- (6) the SCSBs; and
- (7) the Registered Brokers.

The Issue is being made through the Book Building Process wherein 10 % of the Net Issue shall be available for allocation on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 55% 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 to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders, may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB 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 Designated Stock Exchange.

Further, upto 7,00,000 Equity Shares shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. Any unsubscribed portion in Employee Reservation Category shall be added to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders) are mandatorily required to utilize the ASBA process to participate in the Issue.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees can revise their Bids during the Bidding/Issue Period and withdraw their Bids until finalization of the Basis of Allotment. For further details, see the chapters titled “*The Issue*” and “*Issue Procedure*” beginning on pages 69 and 265, respectively, of this RHP.

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

The Book Building Process under the SEBI Regulations is subject to change from time to time and Bidders are advised to make their own judgment about an investment through the Book Building Process prior to submitting a Bid.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, please see the chapter titled “Issue Procedure” beginning on page 265;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum-Application-Form;
- Ensure that the Bid-cum-Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form;
- 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 IT Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for bidders residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the bidders by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your Demographic Details, given in the Bid-cum-Application Form with the details recorded with your Depository Participant;
- Ensure the correctness of your PAN, beneficiary account number, DP ID and Client ID given in the Bid-cum-Application Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder’s name and bank account number, among others;
- Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centres. Ensure that the

SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>;

- ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or the Syndicate or the Registered Brokers to ensure that the Bid cum Application Form is not rejected.

For further details please see the chapter titled “Issue Procedure” beginning on page 265 of this RHP.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building Process and the Price Discovery Process

(Bidders should note that the following is solely for the purpose of illustration and is not specific to the Issue; it also excludes bidding by Anchor Investors)

Bidders can bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an 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 as shown below indicates the demand for the equity shares of the issuer company at various prices and is collated from bids received from various bidders.

Bid Quantity	Bid Price (in ₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e. ₹ 22 in the above example. The Issuer, in consultation with the book running lead manager, will finalise the issue price at or below such cut-off, i.e. at or below ₹ 22. All bids at or above the issue price and cut-off price bids are valid bids and are considered for allocation in the respective categories. This table is for illustration only and an investor can bid at an interval of every one rupee in the above example.

Allotment to Retail Individual Investors and Minimum Bid Lots

In the event, the Bids received from Retail Individual Investors exceeds [●] Equity Shares, then the maximum number of Retail Individual Investors who can be Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to Retail Individual Investors will then be made in the following manner:

- In the event the number of Retail Individual Investors who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) Retail Individual Investors shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the Retail Individual Investors who have received Allotment as per (i) above for less than the Equity Share Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- In the event the number of Retail Individual Investors who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Investors (in that category) who will then be Allotted minimum Bid Lot shall be determined on draw of lots basis.

For details, see the chapter titled “Issue Procedure” beginning on page 265 of this Red Herring Prospectus.

UNDERWRITING AGREEMENT

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

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

The above mentioned is indicative underwriting and will be finalized after determination of the Issue Price and actual allocation subject to the provisions of the SEBI Regulations.

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

Notwithstanding the table above, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to the bidders procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for, or subscribe the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in the Issue, except for ASBA Bids procured by the Syndicate Member(s). The underwriting agreement shall list out the role and obligations of each Syndicate Member, and *inter alia* contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the bidders at the time of Bidding.

CAPITAL STRUCTURE

Our Equity Share capital, as at the date of this RHP and after the proposed Issue is set forth below: -

		(₹ in Million, except share data)	
Particulars		Aggregate Value at Face value	Aggregate Value at Issue Price
A.	AUTHORISED SHARE CAPITAL		
	5,00,00,000 Equity Shares of ₹ 10/- each.	500.00	
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	3,25,00,000 Equity Shares of ₹ 10/- each	325.00	
C.	PRESENT ISSUE IN TERMS OF THIS RHP		
	Issue of upto 1,40,00,000 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share ⁽¹⁾	140.00	[●]
	<i>Of which:</i>		
	(i) Employee Reservation Portion of upto 5% of the Issue aggregating upto 7,00,000 Equity Shares at a price of Rs. [●] per equity share	[●]	[●]
	(ii) Net Issue:	[●]	[●]
	QIB Portion being 10% of the Net Issue aggregating upto [●] Equity Shares	[●]	[●]
	Non-Institutional Portion of not less than 55% of the Net Issue aggregating to not less than [●] Equity Share	[●]	[●]
	Retail Portion of not less than 35% of the Net Issue aggregating to not less than [●] Equity Shares	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	[●] Equity Shares of ₹10/- each		[●]
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	0.00	
	After the Issue		[●]

⁽¹⁾The Issue has been authorised by the Board of Directors of our Company at its meeting held on May 1, 2017 and by the shareholders of our Company at the Annual General Meeting held on May 23, 2017.

1. Details of change in authorised share capital since incorporation

The authorized share capital of the Company at the time of incorporation was ₹ 0.5 Million divided into 50,000 Equity Shares of ₹ 10/- (Rupees Ten only) each. The following table gives the increase in the authorised share capital post incorporation of our Company: -

Sr. No.	Particulars of increase	Date of Shareholder's meeting	AGM/ EGM
1.	Increase in authorized share capital from ₹ 5,00,000/- divided into 50,000 Equity Shares of ₹ 10/- each to ₹ 5,00,00,000/- divided into 50,00,000 Equity Shares of ₹10/- each.	April 21, 2011	EGM
2.	Increase in authorized share capital from ₹ 5,00,00,000/- divided into 50,00,000 Equity Shares of ₹10/- each to ₹ 10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- each.	December 31, 2012	EGM

Sr. No.	Particulars of increase	Date of Shareholder's meeting	AGM/ EGM
3.	Increase in authorized share capital from ₹10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- each to ₹27,00,00,000/- divided into 2,70,00,000 Equity Shares of ₹10/- each.	March 18, 2013	EGM
4.	Increase in authorized share capital from ₹27,00,00,000/- divided into 2,70,00,000 Equity Shares of ₹10/- each to ₹31,00,00,000/- divided into 3,10,00,000 Equity Shares of ₹10/- each.	March 3, 2014	EGM
5.	Increase in authorized share capital from ₹31,00,00,000/- divided into 3,10,00,000 Equity Shares of ₹10/- each ₹32,50,00,000/- divided into 3,25,00,000 Equity Shares of ₹10/- each.	January 27, 2015	EGM
6.	Increase in authorized share capital from ₹32,50,00,000/- divided into 3,25,00,000 Equity Shares of ₹10/- each to ₹50,00,00,000 divided into 5,00,00,000 Equity shares of ₹10/- each	May 23, 2017	AGM

Company had made an application before National Company Law Tribunal, Ahmedabad Bench in Petition No. 30 of 2017 for reduction of its Share Capital. Subsequently, the Company vide its letter dated April 29, 2017 has intimated the Registrar of Companies, Gujarat and the Office of Regional Director, North Western Region about its intention to withdraw the petition for reduction of the Share Capital. Vide an Application dated May 27, 2017, the Company has made an application to NCLT on May 30, 2017 for withdrawal of Petition No. 30 of 2017 for reduction of share capital of Company. Subsequently, vide an order dated July 4, 2017, the NCLT has permitted the Company to withdraw Petition No. 30 of 2017 for reduction of share capital of Company and accordingly the case is dismissed. For further details, please refer to "History and Other Corporate Matters" on page 163.

Notes to Capital Structure

1. Share Capital history of our Company

A. The following is the history of the Equity Share Capital of our Company:

Date of allotment of Equity Shares	No. of Equity Shares Allotted	Face Value (in ₹)	Issue Price (in ₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Capital (in ₹)	Cumulative Share Premium (in ₹Millions)
At the time of incorporation	33,500 ⁽¹⁾	10	10	Cash	Subscription to MoA	33,500	3,35,000	0.00
	16,500 ⁽²⁾	10	10	Consideration other than cash		50,000	5,00,000	
May 24, 2011	25,06,250 ⁽³⁾	10	30	Cash	Preferential Allotment	25,56,250	2,55,62,500	51.732
	80,350 ⁽⁴⁾	10	30	Consideration other than cash		26,36,600	2,63,66,000	
March 30, 2012	16,40,450 ⁽⁵⁾	10	30	Cash	Preferential Allotment	42,77,050	4,27,70,500	85.838
	64,850 ⁽⁶⁾	10	30	Consideration other than cash		43,41,900	4,34,19,000	
March 21, 2013	85,83,800 ⁽⁷⁾	10	0	Nil	Bonus Allotment	1,29,25,700	12,92,57,000	0.00
March 29, 2013	1,40,74,300 ⁽⁸⁾	10	10	Cash	Preferential Allotment	2,70,00,000	27,00,00,000	0.00

Date of allotment of Equity Shares	No. of Equity Shares Allotted	Face Value (in ₹)	Issue Price (in ₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Capital (in ₹)	Cumulative Share Premium (in ₹Millions)
March 31, 2014	40,00,000 ⁽⁹⁾	10	10	Cash	Preferential Allotment	3,10,00,000	31,00,00,000	0.00
February 28, 2015	5,00,000 ⁽¹⁰⁾	10	10	Cash	Preferential Allotment	3,15,00,000	31,50,00,000	0.00
March 17, 2015	5,00,000 ⁽¹¹⁾	10	10	Cash	Preferential Allotment	3,20,00,000	32,00,00,000	0.00
March 27, 2015	5,00,000 ⁽¹²⁾	10	10	Cash	Preferential Allotment	3,25,00,000	32,50,00,000	0.00

(1) Allotment to Ramakant Patel (8,500); Rasiklal Patel (10,500); Karshanbhai Patel (10,000); Jyotsanaben Patel (3000) and Divang Patel (1500) for cash;

(2) Allotment to Kirit G. Patel (15,000) and Bharatbhai Patel (1,500) for consideration other than cash;

(3) Allotment to Karsanbhai Patel (58,340); Kirit G. Patel (1,07,950); Ramakant Patel (90,000); Rasikbhai Patel (70,000); Baldevbhai Patel (59,100); Divyang Patel (1,03,300); Jashvantbhai Patel (86,600); Jitendra Patel (7,500); Jyotindra Patel (7,500); Jyotsnaben Patel (83,000); Kamleshbhai Patel (13,300); Manojkumar Patel (73,260); Mitul Patel (3,300); Narsinbhai Patel (15,000); Nitinbhai Patel (25,000); Paragkumar Patel (76,600); RajendraKumar Patel (54,500); Rohitbhai Patel (51,600); Sanjaybhai Saidva (2,33,300); Taraben Patel (9,900); Vasantbhai Patel (1,06,600); Vivek Patel (3,300); Ghanshyambhai Patel (33,300); Leelaben Patel (14,100); Asian Granito India Limited. (10,00,000); Krupal Trading Company (33,300); Shivam Industries (70,000); Kirtibhai A. Patel (16,600) for cash.

(4) Allotment to Kirit G. Patel (70,350) and Bharatbhai P. Patel (10,000) for consideration other than cash.

(5) Allotment to Kiritbhai A. Patel (3,400); Kirit G. Patel (1,53,300); Ramakant Patel(1,31,700); Rasikbhai Patel(1,89,300); Baldevbhai Patel(6,700); Divyang Patel(1,41,300); Jashvantbhai Patel(57,600); Jitendra Patel(2,500); Jyotindra Patel(2,500); Kamleshbhai Patel(19,400); Manojkumar Patel(60,000); Priyankaben Patel(8,300); Subhadraaben Patel(8,300); Pashabhai Patel(15,000); Narsinbhai Patel(45,000); Rajendrakumar Patel(41,600); Rohitbhai Patel(33,400); Sanjaybhai Saidva(2,83,300); Taraben Patel(16,600); Mitesh Patel(30,000); Vivek Patel(2,15,300); Bharatbhai Patel(10,450); Ghanshyambhai Patel(55,500); Leelaben Patel(6,700); Asian Granito India Limited(1,00,000); Kailashben Patel(3,300) for cash;

(6) Allotment to Bharatbhai Patel (64,850) for consideration other than cash;

(7) Bonus issue in the ratio of 2:1 (two shares for every 1 shares held) authorised by our shareholders through a resolution dated March 21, 2013. However, the Bonus Shares have not been allotted on equity capital issued on incorporation of Company.

Bonus allotment to Kirit G. Patel (663200); Ramakant Patel (4,43,400); Rasikbhai Patel (5,18,600); Karasanbhai Patel (1,16,680); Baratbhai Patel (1,70,600); Jyotsanaben Patel (1,66,000); Divyang Patel (4,89,200); Baldevbhai Patel (131600); Jaswantbhai Patel (288400); Jitendrabhai Patel (20,000); Jyotindrabhai Patel (20,000); Kamleshbhai Patel (65,400); Manojkumar Patel (2,66,520); Mitul Patel (6,600); Narsinhbhai Patel (1,20,000); Nitinbhai Patel (50,000); Paragkumar Patel (1,53,200); Rajendrakumar Patel (1,92,200); Rohitbhai Patel (1,70,000); Sanjaybhai Saidva (10,33,200); Taraben Patel (53,000); Vasantbhai Patel (2,13,200); Vivek Patel (4,37,200); Ghanshyambhai Patel (1,77,600); Leelaben Patel (41,600); Asian Granito India Limited (20,00,000); Krupal Trading Company (66,600); Shivam Industries (1,40,000); Kiritbhai A. Patel (40,000); Patel Priyankaben (16,600); Patel Shubhadraaben (16,600); Patel Pashabhai (30,000); Miteshbhai Patel (60,000); Kailashben Patel(6,600); Bipinbhai Patel(2,00,000).

(8) Allotment to Asian Granito India Limited(88,50,000); Karsanbhai Patel(1,50,000); Nitin Patel(45,000); Subhadraaben Patel(49,000); Kamleshbhai Patel(1,04,400); Manojkumar Patel(4,10,220); Priyankaben Patel(50,000); Rajendrakumar Patel(78,380); Rohitkumar Patel(1,12,500); Chintan Sitapar(4,90,000); Sanjay Saidva(3,06,450); Kirit G. Patel(11,63,339); Ghanshyambhai Patel(5,15,600); Jyotsnaben Patel(1,07,500); Rasiklal Patel(40,050); Punithbhai Patel(8,50,000); Jasvantbhai Patel(6,69,661); Vivek Patel(82,200) for cash

(9) Allotment to Vynkatesh Corrugators Private Ltd. (20,00,000); Tirupati Corrugators (proprietorship of

Mangala Bangur) (20,00,000) for cash.

(10) Allotment to Tirupati Corrugators (proprietorship of Mangala Bangur) (5,00,000) for cash.

(11) Allotment to Tirupati Corrugators (proprietorship of Mangala Bangur) (5,00,000) for cash.

(12) Allotment to Vyanktesh Corrugators Private Limited (5,00,000) for cash.

B. Equity Shares issued for consideration other than cash:

Date of the allotment	No. of Equity Shares	Issue Price (in ₹)	Reasons for allotment	Benefits accruing to the Company	Persons to whom the allotment were made
At the time of incorporation	16,500	10	Allotted against purchase of immovable property	The Company purchased its existing Registered Office, that is, D-702, 7 th Floor, Ganesh Meridian, Opposite High Court, S.G Highway, Ahmedabad-380060.	Kirt G. Patel (15000); and Bharatbhai Patel (1500)
May 24, 2011	80,350	30			Kirt G. Patel (70,350); and Bharatbhai Patel (10,000)
March 30, 2012	64,850	30			Bharatbhai Patel (64,850)
March 21, 2013	85,83,800	0	Bonus Allotment	Capitalised the share premium of the Company ⁽²⁾	Please refer to Notes to Capital Structure on page 81 of RHP.

(1) The Company purchased its Registered Office from Mr. Kirt G. Patel and Mr. Bharatbhai Patel for a total consideration of Rs. 66,70,000/- (Rupees Sixty-Six Lakhs Seventy Thousand) vide a Sale Deed dated July 3, 2013. In addition to the aforementioned Equity Shares allotted to Kirt G. Patel and Bharatbhai Patel at the time of incorporation, May 24, 2011 and March 30, 2012, Rs. 10,75,500/- has been paid via cheque to Kirt G. Patel and Bharatbhai Patel each. However, Kirt G. Patel and Bharatbhai Patel have been paid additional Rs. 2000/- for other miscellaneous expenses.

(2) Bonus issue in the ratio of 2:1 (2 shares for every 1 shares held) authorised by our shareholders through a resolution dated March 21, 2013. However, the Bonus Shares have not been allotted on equity capital issued on incorporation of Company.

Till date no Equity Shares have been allotted by our Company pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-232 of Companies Act, 2013.

2. Build-up of Promoters' capital, Promoter's contribution and lock-in

A. History of Equity Share capital held by the Promoters:

As on the date of this RHP, our Promoters hold 2,02,32,550 Equity Shares, constituting 62.25% of the issued, subscribed and paid-up Equity Share capital of our Company. The built-up of shareholding of Promoters are as follows:

Kirt G. Patel

Date of Allotment / Transfer and Date when made Fully Paid	No. Equity Shares Allotted / Transferred	Cumulative No. of Equity Shares	Face Value	Issue/ Acquisition Price	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
At the time of incorporation	15,000	15,000	10	10	Consideration other than cash.	Subscription to memorandum	0.05	[•]

Date of Allotment / Transfer and Date when made Fully Paid	No. Equity Shares Allotted / Transferred	Cumulative No. of Equity Shares	Face Value	Issue/ Acquisition Price	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
May 24, 2011	70,350	85,350	10	30	Consideration other than cash.	Preferential Allotment	0.22	[●]
	1,07,950	1,93,300	10	30	Cash	Preferential Allotment	0.33	[●]
March 30, 2012	1,53,300	3,46,600	10	30	Cash	Preferential Allotment	0.47	[●]
March 21, 2013	6,63,200	10,09,800	10	0	Nil	Bonus shares allotted	2.04	[●]
March 29, 2013	11,63,339	21,73,139	10	10	Cash	Preferential Allotment	3.58	[●]
March 31, 2015	6,18,061	27,91,200	10	8.50	Cash	Transferred from Jasvantbhai Patel	1.90	[●]
March 31, 2017	7,82,000	35,73,200	10	0	Nil	Transferred from Ghanshyambhai Patel (Gift)	2.41	[●]
March 31, 2017	3,59,500	39,32,700	10	0	Nil	Transferred from Jyotsanaben Patel. (Gift)	1.11	[●]
March 31, 2017	9900	39,42,600	10	0	Nil	Transferred from Mitul Patel (Gift)	0.03	[●]
March, 31, 2017	26,50,350	65,92,950	10	0	Nil	Transferred from Prakashkumar Patel. (Gift)	8.15	[●]
March 31, 2017	10,600	66,03,550	10	13	Cash	Transferred from Asian Granito India Limited	0.03	[●]
May 29, 2017	96,100	66,99,650	10	13.50	Cash	Transferred from Krupal Trading Company	0.30	[●]
Total	66,99,650						20.61	

Ramakant Patel

Date of Allotment / Transfer and Date when made Fully Paid	No. Equity Shares Offered / Transferred	Cumulative No. of Equity Shares	Face Value	Issue/ Acquisition Price	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
At the time of incorporation	8,500	8,500	10	10	Cash	Subscription to memorandum	0.03	[●]
May 24, 2011	90,000	98,500	10	30	Cash	Preferential Allotment	0.28	[●]

Date of Allotment / Transfer and Date when made Fully Paid	No. Equity Shares Offered / Transferred	Cumulative No. of Equity Shares	Face Value	Issue/ Acquisition Price	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
March 30, 2012	1,31,700	2,30,200	10	30	Cash	Preferential Allotment	0.41	[●]
March 21, 2013	4,43,400	6,73,600	10	0	Nil	Bonus Allotment	1.36	[●]
January 11, 2014	2,99,300	9,72,900	10	7.50	Cash	Transferred from Sanjay Saidva	0.92	[●]
January 5, 2015	2,10,000	11,82,900	10	8.50	Cash	Transferred from Shivam Industries	0.65	[●]
Total	11,82,900						3.64	

Karshanbhai Patel

Date of Allotment / Transfer and Date when made Fully Paid	No. Equity Shares Allotted / Transferred	Cumulative No. of Equity Shares	Face Value	Issue/ Acquisition Price	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
At the time of incorporation	10,000	10,000	10	10	Cash	Subscription to memorandum	0.03	[●]
May, 24 2011	58,340	68,340	10	30	Cash	Preferential Allotment	0.18	[●]
March 21, 2013	1,16,680	1,85,020	10	0	Nil	Bonus Allotment	0.36	[●]
March 29, 2013	1,50,000	3,35,020	10	10	Cash	Preferential Allotment	0.46	[●]
March 31, 2017	2,33,730	5,68,750	10	13	Cash	Transferred from Asian Granito India Limited	0.72	[●]
March 31, 2017	15,400	5,84,150	10	13	Cash	Transferred from Narsinhbhai Patel	0.05	[●]
March 31, 2017	2,00,000	7,84,150	10	13	Cash	Transferred from Krupal Trading Company	0.62	[●]
March, 31, 2017	2,96,160	10,80,310	10	0	Nil	Transferred from Taraben Patel (Gift)	0.91	[●]
March, 31, 2017	7,68,965	18,49,275	10	0	Nil	Transferred from Rajendrakumar Patel (Gift)	2.37	[●]
March, 31, 2017	8,49,565	26,98,840	10	0	Nil	Transferred from Rohitkumar Patel (Gift)	2.61	[●]

Date of Allotment / Transfer and Date when made Fully Paid	No. Equity Shares Allotted / Transferred	Cumulative No. of Equity Shares	Face Value	Issue/ Acquisition Price	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
March, 31, 2017	4,17,310	31,16,150	10	0	Nil	Transferred from Priyankaben Patel (Gift)	1.28	[●]
March, 31, 2017	4,05,000	35,21,150	10	0	Nil	Transferred from Subhadraaben Patel (Gift)	1.24	[●]
March 31, 2017	53,850	35,75,000	10	13	Cash	Transferred from Manojkumar Patel	0.17	[●]
Total	35,75,000						11.00	

Asian Granito India Limited

Date of Allotment / Transfer and Date when made Fully Paid	No. Equity Shares Allotted / Transferred	Cumulative No. of Equity Shares	Face Value	Issue/ Acquisition Price	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
May 24, 2011	10,00,000	10,00,000	10	30	Cash	Preferential Allotment	3.08	[●]
December 12, 2011	(1,00,000)	9,00,000	10	30	Cash	Transferred to Bipinkumar Patel	(0.31)	[●]
March 30, 2012	1,00,000	10,00,000	10	30	Cash	Preferential Allotment	0.31	[●]
March 21, 2013	20,00,000	30,00,000	10	Nil	Nil	Bonus Allotment	6.15	[●]
March 29, 2013	88,50,000	1,18,50,000	10	10	Cash	Preferential Allotment	27.23	[●]
March 31, 2017	(10,00,000)	1,08,50,000	10	13	Cash	Transferred to Famous Vanijya Private Limited	(3.08)	[●]
March 31, 2017	(10,600)	1,08,39,400	10	13	Cash	Transferred to Kirit G. Patel	(0.03)	[●]
March 31, 2017	(1,24,700)	1,07,14,700	10	13	Cash	Transferred to Shreerangam Packaging Private Limited	(0.38)	[●]
March 31, 2017	(1,23,000)	1,05,91,700	10	13	Cash	Transferred to Baldevbhai Patel	(0.38)	[●]
March 31,	(37,400)	1,05,54,300	10	13	Cash	Transferred to	(0.12)	[●]

Date of Allotment / Transfer and Date when made Fully Paid	No. Equity Shares Allotted / Transferred	Cumulative No. of Equity Shares	Face Value	Issue/ Acquisition Price	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
2017						Leelaben Patel		
March 31, 2017	(25,000)	1,05,29,300	10	13	Cash	Transferred to Bipinkumar Patel	0.08	[●]
March 31, 2017	(1,32,500)	1,03,96,800	10	13	Cash	Transferred to Jitendrabhai Patel	(0.41)	[●]
March 31, 2017	(1,32,500)	1,02,64,300	10	13	Cash	Transferred to Jyotindrabhai Patel	(0.41)	[●]
March 31, 2017	(5,200)	1,02,59,100	10	13	Cash	Transferred to Vasantbhai Patel	(0.02)	[●]
March 31, 2017	(45,100)	1,02,14,000	10	13	Cash	Transferred to Narsinhbhai Patel	(0.14)	[●]
March 31, 2017	(41,250)	1,01,72,750	10	13	Cash	Transferred to Patel Kamleshkumar	(0.13)	[●]
March 31, 2017	(42,500)	1,01,30,250	10	13	Cash	Transferred to Nitinkumar Patel	(0.13)	[●]
March 31, 2017	(36,250)	1,00,94,000	10	13	Cash	Transferred to Pasabhai Patel	(0.11)	[●]
March 31, 2017	(2,33,730)	98,60,270	10	13	Cash	Transferred to Karshanbhai Patel	(0.72)	[●]
March 31, 2017	(2,01,250)	96,59,020	10	13	Cash	Transferred to Rohitkumar Patel	(0.62)	[●]
March 31, 2017	(2,02,070)	94,56,950	10	13	Cash	Transferred to Rajendrakumar Patel	(0.62)	[●]
March 31, 2017	(2,51,100)	92,05,850	10	13	Cash	Transferred to Subhadraben Patel	(0.77)	[●]
March 31, 2017	(2,50,100)	89,55,750	10	13	Cash	Transferred to Priyankaben Patel	(0.77)	[●]
March 31, 2017	(1,80,750)	87,75,000	10	13	Cash	Transferred to Taraben Patel	(0.56)	[●]
Total	87,75,000						27.00	

B. Details of Promoters' contribution locked in for three years:

Pursuant to 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 locked-in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked-in for a period of one year from the date of Allotment ("**Promoters' Contribution**").

The Equity Shares which are being locked in for 3 (three) years from the date of Allotment are as follows:

Promoters	No. of Equity Shares Locked in	Face Value (in ₹)	Issue/ Acquisition Price	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	Consideration (Cash/other than cash)	Percentage of pre-Issue paid-up capital	Percentage of post-Issue paid-up capital	Source of Promoter's Contribution
Kirit G. Patel	15,000	10	10	At the time of Incorporation	Subscription to MoA	Other than cash	0.05	[●]	Own Funds
	70,350	10	30	May 24, 2011	Preferential Allotment	Other than cash	0.22	[●]	Own Funds
	107,950	10	30	May 24, 2011	Preferential Allotment	Cash	0.33	[●]	Own Funds
	1,53,300	10	30	March 30, 2012	Preferential Allotment	Cash	0.47	[●]	Own Funds and Borrowed Funds ⁽¹⁾
	6,63,200	10	0	March 21, 2013	Bonus allotment	Nil	2.04	[●]	NA
	11,63,339	10	10	March 29, 2013	Preference Allotment	Cash	3.58	[●]	Own and Borrowed funds ⁽²⁾
	6,18,061	10	8.50	March 31, 2015	Transferred from Jasvantbhai Patel	Cash	1.90	[●]	Own funds and Borrowed Funds ⁽³⁾
Karshanbhai Patel	10,000	10	10	At the time of Incorporation	Subscription to MoA	Cash	0.03	[●]	Borrowed Funds ⁽⁴⁾
	58,340	10	30	May 24, 2011	Preferential Allotment	Cash	0.18	[●]	Borrowed Funds ⁽⁵⁾
	1,16,680	10	0	March 21, 2013	Bonus Allotment	Nil	0.36	[●]	NA
	1,50,000	10	10	March 29, 2013	Preferential Allotment	Cash	0.46	[●]	Own Funds and Borrowed Funds ⁽⁶⁾
Ramakant Patel	8,500	10	10	At the time of Incorporation	Subscription to MoA	Cash	0.03	[●]	Borrowed Funds ⁽⁷⁾
	90,000	10	30	May 24, 2011	Preferential Allotment	Cash	0.28	[●]	Own Funds and Borrowed Funds ⁽⁸⁾
	1,31,700	10	30	March 30, 2012	Preferential Allotment	Cash	0.41	[●]	Own Funds and borrowed funds ⁽⁹⁾
	4,43,400	10	0	March 21, 2013	Bonus Allotment	Nil	1.36	[●]	NA
	2,99,300	10	7.50	January 11, 2014	Transferred from Sanjay Saidva	Cash	0.92	[●]	Own Fund
	210000	10	8.50	January 5, 2015	Transferred from	Cash	0.65	[●]	Borrowed funds ⁽¹⁰⁾

Promoters	No. of Equity Shares Locked in	Face Value (in ₹)	Issue/ Acquisition Price	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	Consideration (Cash/other than cash)	Percentage of pre-Issue paid-up capital	Percentage of post-Issue paid-up capital	Source of Promoter's Contribution
					Shivam Industries				
Asian Granito India Limited	49,90,880	10	10	March 29, 2013	Preferential Allotment	Cash	15.36	[●]	Own Funds & Bank Borrowings
TOTAL	93,00,000						28.62		

- (1) Borrowed from Prakashkumar Chaturbhai Patel (Rs. 5,80,000); Lilaben Patel (Rs. 5,00,000) and JMC Power Tech Private Limited; (Rs.18,00,000)
- (2) Borrowed from Sandipbhai Patel and Ritaben Patel (Rs. 3,70,000); Kamleshbhai Chauhan (Rs. 25,00,000); Lataben (Rs. 2,00,000); Parvatiben (Rs. 50,000) and Ashokbhai (Rs. 2,00,000); Hasubhai (Rs. 7,00,000) and Dalsukhbhai Zaveri (Rs. 3,00,000); Ranjanaben Patel (Rs. 2,50,000), Dalsukhbhai Patel (Rs. 5,00,000); Arjanbhai (Rs. 2,00,000); Kamleshbhai Chauhan (Rs. 20,00,000); Alpeshbhai Patel (Rs. 1,50,000); Chandreshkumar Patel (Rs. 9,00,000);
- (3) Borrowed from Krupal Trading (Rs. 31,00,000);
- (4) Borrowed from Karshanbhai HUF;
- (5) Borrowed from Karshanbhai HUF (Rs.15,50,000) and Taraben Patel (2,00,000);
- (6) Borrowed from Karshanbhai HUF (Rs. 10,00,000); Ishwarbhai Patel (Rs. 1,48,500); Ganpatbhai Patel (Rs. 1,48,500); Prajapati Mulabhai (Rs. 1,48,500) and Manibhai Patel (Rs. 49,500)
- (7) Received from Shreerangam Packaging Pvt Ltd
- (8) Borrowed from Kapilaben Kantilal Patel (Rs. 5,00,000); Rameshbhai Laljibhai Patel (Rs. 3,00,000); Vishnubhai Patel (Rs. 3,00,000) and Haresh Ambalal Patel (Rs. 2,00,000)
- (9) Partners capital withdrawn from Shivam Industries (Rs 4,00,000); Borrowed from Chandrikaben R Patel (Rs.5,00,000); Leelaben B Patel (Rs. 7,00,000); Baldevbhai Patel (Rs. 12,50,000);
- (10) Partners capital withdrawn from Shivam Industries

The Equity Shares that are being locked-in are eligible for computation of Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares of shares which are otherwise ineligible for computation of Promoters' Contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoters upon conversion of a partnership firm;
- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

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 "Promoters" under the SEBI ICDR Regulations.

Details of share capital locked in for one year

Other than the above Equity Shares that would be locked in for 3 (three) years, the entire pre-Issue capital of our Company would be locked-in for a period of 1 (one) year from the date of Allotment in the Issue pursuant to Regulation 36(b) and Regulation 37 of the SEBI ICDR Regulations.

Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged 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 36(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.

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

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

3. The Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken any transactions of equity shares of our Company, during a period of 6 (six) months preceding the date on which this RHP is filed with SEBI except as follows:

S. No.	Date of Transaction	Name of Transferor	No. of Shares	Price per Share (in ₹)	Name of Transferee
1.	March 31, 2017	Ghanshyambhai Shamjibhai Patel	7,82,000	0 (Gift)	Kirit G. Patel
2.	March 31, 2017	Jyotsanaben Patel	3,59,500	0 (Gift)	Kirit G. Patel
3.	March 31, 2017	Patel Mitul	9900	0 (Gift)	Kirit G. Patel
4.	March 31, 2017	Prakashkumar Patel	26,50,350	0 (Gift)	Kirit G. Patel
5.	March 31, 2017	Asian Granito India Limited	10,00,000	13	Famous Vanijya Private Limited
6.	March 31, 2017	Asian Granito India Limited	10,600	13	Kirit G. Patel
7.	March 31, 2017	Asian Granito India Limited	1,24,700	13	Shreerangam Packaging Private Limited
8.	March 31, 2017	Asian Granito India Limited	1,23,000	13	Baldevbhai Patel

S. No.	Date of Transaction	Name of Transferor	No. of Shares	Price per Share (in ₹)	Name of Transferee
9.	March 31,2017	Asian Granito India Limited	37,400	13	Leelaben Baldevbhai Patel
10.	March 31,2017	Asian Granito India Limited	25,000	13	Bipinkumar Patel
11.	March 31,2017	Asian Granito India Limited	1,32,500	13	Jitendrabhai Patel
12.	March 31,2017	Asian Granito India Limited	1,32,500	13	Jyotindrabhai Patel
13.	March 31,2017	Asian Granito India Limited	5,200	13	Vasantbhai Patel
14.	March 31,2017	Asian Granito India Limited	45,100	13	Narsinhbhai Patel
15.	March 31,2017	Asian Granito India Limited	41,250	13	Patel Kamleshkumar
16.	March 31,2017	Asian Granito India Limited	42,500	13	Nitinkumar Patel
17.	March 31,2017	Asian Granito India Limited	36,250	13	Pasabhai Patel
18.	March 31,2017	Asian Granito India Limited	2,33,730	13	Karshanbhai Patel
19.	March 31,2017	Asian Granito India Limited	2,01,250	13	Rohitkumar Patel
20.	March 31,2017	Asian Granito India Limited	2,02,070	13	Rajendrakumar Patel
21.	March 31,2017	Asian Granito India Limited	2,51,100	13	Subhadraaben Patel
22.	March 31,2017	Asian Granito India Limited	2,50,100	13	Priyankaben Patel
23.	March 31,2017	Asian Granito India Limited	1,80,750	13	Taraben Patel
24.	March 31,2017	Narsinhbhai Patel	89,655	13	Rohitkumar Patel
25.	March 31,2017	Narsinhbhai Patel	35,910	13	Taraben Patel
26.	March 31,2017	Narsinhbhai Patel	12,310	13	Priyankaben Patel
27.	March 31,2017	Narsinhbhai Patel	9,225	13	Rajendrakumar Patel
28.	March 31,2017	Narsinhbhai Patel	15,400	13	Karshanbhai Patel
29.	March 31,2017	Krupal Trading Company	2,00,000	13	Karshanbhai Patel
30.	March 31,2017	Krupal Trading Company	1,50,000	13	Rajendrakumar Patel
31.	March 31,2017	Krupal Trading Company	1,40,000	13	Rohitkumar Patel
32.	March 31,2017	Krupal Trading Company	80,000	13	Subhadraaben Patel
33.	March 31,2017	Krupal Trading Company	80,000	13	Priyankaben Patel
34.	March 31,2017	Taraben Patel	2,96,160	0 (Gift)	Karshanbhai Patel
35.	March 31,2017	Rohitkumar Patel	8,49,565	0 (Gift)	Karshanbhai Patel
36.	March 31,2017	Rajendrakumar Patel	7,68,965	0 (Gift)	Karshanbhai Patel
37.	March 31,2017	Priyankaben Patel	4,17,310	0 (Gift)	Karshanbhai Patel
38.	March 31,2017	Subhadraaben Patel	4,05,000	0 (Gift)	Karshanbhai Patel
39.	March 31, 2017	Manojkumar Patel	53,850	13	Karshanbhai Patel
40.	March 31, 2017	Manojkumar Patel	51,160	13	Rohitkumar Patel

S. No.	Date of Transaction	Name of Transferor	No. of Shares	Price per Share (in ₹)	Name of Transferee
41.	March 31, 2017	Manojkumar Patel	40,990	13	Rajendrakumar Patel
42.	May 29, 2017	Krupal Trading Company	96,100	13.50	Kirit G. Patel

4. Our Company has not issued any Equity Shares in the year preceding the date of this RHP, which may be at a price lower than the Issue price.

5. *The list of shareholders of our Company and the Equity Shares held by them is as follows:*

(a) Details of the shareholding of our Company:

The table below presents the shareholding pattern of our Company as on the date of this RHP:

Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrant)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights										
								Class Equity X	Class Others Y	Total	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)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	5	2,03,57,250	0	0	2,03,57,250	62.64	2,03,57,250	0	2,03,57,250	62.64	0	62.64	0	0	0	0	2,03,57,250
(B)	Public	18	1,21,42,750	0	0	1,21,42,750	37.36	1,21,42,750	0	1,21,42,750	37.36	0	37.36	0	0	0	0	49,92,750
(C)	Non Promoter - Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	23	3,25,00,000	0	0	3,25,00,000	100.00	3,25,00,000	0	3,25,00,000	100.00	0	100.00	0	0	0	0	2,53,50,000

- (b) Following are the details of the holding of securities of persons belonging to category “Promoter and Promoter Group”:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post - Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoters				
1.	Kirit G. Patel	66,99,650	20.61	[●]	[●]
2.	Ramakant Patel	11,82,900	3.64	[●]	[●]
3.	Karshanbhai Patel	35,75,000	11.00	[●]	[●]
4.	Asian Granito India Limited	87,75,000	27.00	[●]	[●]
	Sub-Total (A) =	2,02,32,550	62.25	[●]	[●]
	Promoter-Group			[●]	[●]
1.	Shreerangam Packaging Private Limited	1,24,700	0.38	[●]	[●]
	Sub-Total (B)	1,24,700	0.38	[●]	[●]
	TOTAL (A)+(B)	2,03,57,250	62.64	[●]	[●]

- (c) The names of public shareholders holding more than 1% of pre-Issue Capital, number of equity shares held and percentage of the total pre and post Issue Capital as on the date of filing of this RHP:

S. No.	Name	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
1.	Navyug Vyapar Private Limited	55,00,000	16.92	[●]
2.	Mitul Tradelink Private Limited	20,75,350	6.39	[●]
3.	Famous Vanijya Private Limited	10,00,000	3.08	[●]
4.	Mr. Manojkumar Patel	9,75,000	3.00	[●]
5.	Ms. Leelaben Patel	3,29,600	1.02	[●]
6.	Mr. Vasantbhai Patel	3,25,000	1.00	[●]
7.	Mr. Bipinkumar Patel	3,25,000	1.00	[●]
	Total	1,05,29,950	32.41	[●]

- (d) Other than the following, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing this RHP:

S. No.	Name	No. of Equity Shares (Face Value of ₹10 each)	Percentage of pre-Issue share capital (%)
1.	Mr. Kirit G. Patel	66,99,650	20.61
2.	Mr. Bipinkumar Patel	3,25,000	1.00

- (e) Our top ten shareholders and the number of Equity Shares held by them as of the date of filing this RHP, is as follows:

S. No.	Name	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
1.	Asian Granito India Limited	87,75,000	27.00	[●]
2.	Mr. Kirit G. Patel	66,99,650	20.61	[●]
3.	Navyug Vyapar Private Limited	55,00,000	16.92	[●]
4.	Mr. Karshanbhai Patel	35,75,000	11.00	[●]
5.	Mitul Tradelink Private Limited	20,75,350	6.39	[●]
6.	Mr. Ramakant Patel	11,82,900	3.64	[●]
7.	Famous Vanijya Private Limited	10,00,000	3.08	[●]
8.	Mr. Manojkumar Patel	9,75,000	3.00	[●]
9.	Ms. Leelaben Patel	3,29,600	1.02	[●]
10.	Mr. Vasantbhai Patel	3,25,000	1.00	[●]
10.	Mr. Bipinkumar Patel	3,25,000	1.00	[●]
	Total	3,07,62,500	94.66	[●]

- (f) Our top ten shareholders and the number of Equity Shares held by them 10 (ten) days prior to filing this RHP is as follows:

S. No.	Name	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
1.	Asian Granito India Limited	87,75,000	27.00	[●]
2.	Mr. Kirit G. Patel	66,99,650	20.61	[●]
3.	Navyug Vyapar Private Limited	55,00,000	16.92	[●]
4.	Mr. Karshanbhai Patel	35,75,000	11.00	[●]
5.	Mitul Tradelink Private Limited	20,75,350	6.39	[●]
6.	Mr. Ramakant Patel	11,82,900	3.64	[●]
7.	Famous Vanijya Private Limited	10,00,000	3.08	[●]
8.	Mr. Manojkumar Patel	9,75,000	3.00	[●]
9.	Ms. Leelaben Patel	3,29,600	1.02	[●]
10.	Mr. Vasantbhai Patel	3,25,000	1.00	[●]
10.	Mr. Bipinkumar Patel	3,25,000	1.00	[●]
	Total	3,07,62,500	94.66	[●]

- (g) Our top ten shareholders and the number of Equity Shares held by them 2 (two) years prior to date of filing of this RHP is as follows:

S. No.	Name	No. of Equity Shares	% of then existing Equity Share Capital.
1.	Asian Granito India Limited	1,18,50,000	36.46
2.	Tirupati Corrugators (proprietorship of Mangala Bangur)	30,00,000	9.23
3.	Kirit G. Patel	27,91,200	8.59
4.	Prakashkumar Patel	26,50,350	8.15
5.	Vyanktesh Corrugators Private Limited	25,00,000	7.69
6.	Mitul Tradelink Private Limited	20,75,350	6.39

7.	Ramakant Patel	11,82,900	3.64
8.	Manojkumar Patel	11,21,000	3.45
9.	Ghanshyambhai Patel	7,82,000	2.41
10.	Krupal Trading Company	7,46,100	2.30
	Total	2,86,98,900	88.30

6. Our Company, Directors and BRLM have not entered into any buy-back or standby/safety net arrangements for the purchase of the Equity Shares of our Company from any person.
7. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, Directors of our Promoter Group companies 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 the RHP.
8. In the past, there have been some instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by RoC. For further details please refer to Risk Factor No. 3 on page 19.
9. None of the equity shares of our Company have been pledged by the Promoters or the Promoter Group.
10. Our Company has not issued any bonus shares out of revaluation of reserves.
11. As on the date of this RHP, the BRLM does not hold any Equity Shares in our Company.
12. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this RHP with the Registrar of Companies and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transaction.
13. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
14. We do not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. 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 opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
15. Our Company has not raised any bridge loan against the proceeds of the Issue.
16. The Issue is being made through the Book Building Process wherein 10% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. For details, see chapter titled "Issue Procedure" beginning on page 265. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 55% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.
17. Upto 7,00,000 Equity Shares have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed `500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed `200,000 (net of Employee Discount). Only in the event of an undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of `200,000, subject to the total Allotment to an Eligible Employee not exceeding `500,000 (net of Employee Discount). An Employee Discount of ₹[●] to the Issue Price may be offered to Eligible Employees bidding in the Employee Reservation Portion. Only Eligible Employees are eligible to

apply in this Issue under the Employee Reservation Portion. Bids by Eligible Employees bidding under the Employee Reservation Portion may also be made in the Net Issue and such Bids will not be treated as multiple Bids. For details regarding Allotment to Eligible Employees please see section titled “Issue Procedure - Allotment Procedure and Basis of Allotment” on page 304.

18. Under subscription, if any, in any category except for QIB category, shall be allowed to be met with spill-over from any other category or combination of category at the sole discretion of our Company and in consultation with the BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.
19. The unsubscribed portion if any, after inter-se adjustments among the reserved categories shall be added back to the Net Issue to the public portion.
20. An over-subscription to the extent of 10% of the issue to the public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum bid lot in this Issue.
21. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on date. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
22. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
23. There would 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 submission of the RHP with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.
24. As per the extant policy, OCBs are not permitted to participate in the Issue.
25. There are no outstanding warrants, options or right to convert debentures, loans or other financial instruments into our Equity Shares as on the date of this RHP.
26. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.
27. No payment, direct or indirect, in the nature of discount, allowance, commission or otherwise, shall be made either by us or our Promoters to the persons who receive Allotments, if any, in this Issue other than to the Eligible Employees who shall be eligible for Employee Discount.

OBJECTS OF THE ISSUE

Requirement of Funds

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

We intend to utilize the Net Proceeds towards the following objects:

1. Setting up of additional facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F.
2. Part repayment of unsecured loan availed by our Company.
3. Funding the working capital requirements of the Company
4. 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:

(₹ in million)	
Particulars	Estimated amount ⁽¹⁾
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
Net Proceeds	[●]

⁽¹⁾To be finalized on determination of the Issue Price.

UTILISATION OF NET PROCEEDS

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

(₹ in million)		
Sr. No.	Particulars	Estimated Amount ⁽¹⁾
1.	Setting up of additional facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F	230.20
2.	Part Repayment of unsecured loan availed by our Company	81.00
3.	Funding the working capital requirements of the Company	239.00
4.	General corporate purposes ⁽¹⁾	[●]

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

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.

(₹ In million)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2018)
1.	Setting up of additional facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F	230.20	230.20
2.	Part Repayment of unsecured loan availed by our Company	81.00	81.00
3.	Funding the working capital requirements of the Company	239.00	239.00
4.	General corporate purposes ⁽¹⁾	[●]	[●]

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

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects

Means of Finance

We intend to finance the part repayment of unsecured loan availed by our Company from the Net Proceeds.. The setting up of an additional facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F will be met through the Net proceeds to the extent of ₹ 230.20 million and existing identifiable internal accruals/ net worth. The working capital requirements under our Objects will be met through the Net Proceeds to the extent of ₹ 239.00 million and internal accruals/ net worth and bank finance and as provided for below.

(₹ in Million)

Object of the Issue	Amount Required	IPO Proceeds	Internal Accruals/ Networth	Bank Loan
Setting up of additional facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F	237.70	230.20	7.50	Nil
Part repayment of unsecured loan availed by our Company	81.00	81.00	Nil	Nil
Funding the working capital requirements of the Company*	1084.52*	239.00	320.52	525.00

*Inclusive of ₹91.40 million required to fund the working capital requirement of additional manufacturing facility. Our Company may limit the utilisation of working capital facility availed from banks till the time additional manufacturing facility is set up.

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

₹ in million

Particulars	Amount
Total Amount Required	1,403.22
Amounts already deployed as on November 14, 2017 *	33.86
Amount proposed to be financed from the Net Proceeds	550.20
Funds required excluding funding through the Net	853.02

<i>Proceeds</i>	
<i>75% of the funds required excluding the net proceeds for this object</i>	639.76
<i>Firm arrangement for over 75% of the funds required excluding the Net Proceeds for this Object:</i>	
<i>Funds from the existing identifiable internal accruals/ Networth**</i>	328.02
<i>Bank Finance</i>	525.00

**In accordance with the certificate of M/s S. N. Shah & Associates, Chartered Accountants, dated November 15, 2017, as of November 14, 2017, our Company has deployed funds towards setting up of additional facility for manufacturing of lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F Kraft Paper and Part repayment of unsecured loan availed by our Company.”*

***The Company has a networth of Rs. 453.19 millions as at March 31, 2017 and Rs. 540.30 million as at September 30, 2017 as per the restated financial statements, certified by peer reviewed auditor M/s S. N. Shah & Associates.*

APPRAISAL BY APPRAISING AGENCY

Care Advisory Research & Training Limited conducted a Techno Economic Viability Report (Appraisal Report) dated May 31, 2017 in respect of the proposed Setting up of additional manufacturing facility of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F.

The fund requirements mentioned above except for setting up of additional manufacturing facilities are based on the internal management estimates of our Company and 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 for setting up of additional manufacturing facility are based on the Appraisal Report of Care Advisory Research & Training Limited. 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. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. 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.

Details of the Object

1. The details of the objects of the Issue are set out below.
2. **Setting up of additional facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F**

We currently have a manufacturing facility situated at Halvad, Gujarat to manufacture mainly 140 GSM to 350 GSM and 22B.F to 35 B. F Kraft paper. We intend to set up an additional manufacturing facility for Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F. We propose to utilize an aggregate of ₹. 230.20 millions out of Net Proceeds and balance 7.50 million out of internal accrual towards setting up of additional manufacturing facility of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F.

Estimated Costs

The total estimated cost of towards setting up of additional manufacturing facility is ₹. 237.70 million. The total cost for setting up of additional manufacturing facility has been estimated by our management in accordance with our business plan approved by our Board of Directors pursuant to its meeting dated June 14, 2017 and based on Appraisal Report of Care Advisory Research & Training Limited dated May 31, 2017 and quotations received from third party suppliers.

The detailed breakdown of such estimated cost is set forth below.

Particulars	Amount in (Rs. Millions)
Factory Building	50.00
Plant & Machinery	180.20
Contingencies and other costs	7.50.
Total	237.70

Means of finance

The total estimated cost for setting up of additional manufacturing facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F is proposed to be funded as follows

Particulars	Amount (₹in millions)
Out of Issue Proceeds	230.20
Internal Accruals	7.50
Total	237.70

Note: Any increase in the cost of setting up of additional manufacturing facility or shortfall in the funding would be financed through internal accruals.

Factory Building

Land and building for the proposed setting up of additional manufacturing facility is at our existing premises situated at Survey No. - 52/1, 52/2 and 53/1 and 53/2, Vill: Sukhpar, Taluka: Halvad, Dist: Surendranagar, Gujarat in the name of Astron Paper & Board Mill Ltd.

(Rs. In millions)

Sr. No.	Particulars	Quotation By:	Size (in Sq. Feet)	Rate/Sq. Feet	Amount (Rs.)
1	Civil Work Shed 1	S.V. Construction May 25, 2017	28621.6	325	9.30
2	Civil Work Shed 2		18076.8	325	5.87
3	Other Construction Cost				3.25
3	Foundation Work				9.34
4	Fabrication, Structural Fittings along with erection and other accessories	Devashish Infrastructure Pvt Ltd.dated May 24, 2017			22.24
Total					50.00

* The above costs is exclusive of applicable taxes

As on the date of the RHP, our Company has placed orders for various jobs:

Description	Purchase Order No.	Purchase Order Date	Name of the Supplier	Amount (Rs. in million)*
Civil work	PO1170/17/00440	10/09/2017	Shree Ganesh Construction	2.20
Civil work	PO1170/17/441	10/09/2017	Bhojani Enterprise	11.94
Civil work	PO1160/17/00027	01/08/2017	Piyush Bhojani	1.40
Material	PO1190/17/00095	08/07/2017	Ajitbhai Sursangbhai Solanki	0.10
Material	PO1170/17/00159	26/06/2017	Ambuja Cement Ltd	2.67
Material	PO1170/17/00263	04/08/2017	Amit Steel Traders	2.26
Material	PO1190/17/00045	01/07/2017	Dineshbhai Kuvarbhai Bharvad	0.84
Material	PO1170/17/00170 &287	27/06/2017 & 19/08/2017	Girnaree Cement Pipe	0.12
Material	PO1170/17/00385	10/10/2017	Harsh Ply & Hardware	0.11
Material	PO1170/17/00300	05/09/2017	Janta Steel Traders	0.55
Material	PO1170/17/00435	01/11/2017	Krishna Labour	0.03

			Contractor	
Material	PO1170/17/00443	25/06/2017	Laljibhai Jivabhai Bharvad	1.18
Material	PO1170/17/00398	30/10/2017	N.D.STEEL	0.14
Material	PO1170/17/00310	04/08/2017	Patel Timber Mart	0.07
Material	PO1170/17/00294	01/08/2017	Shreenathji Marketing	0.21
Material	PO1170/17/00311	25/07/2017	UMA Stone Product	1.09
Material	POJOB/1718/00013	01/08/2017	Vibhabhai Hirabhai Luni	0.40
Material	PO1170/17/00285	16/08/2017	Vrundavan Cement Products	0.10
Shed Related Work	PO1170/17/00229	01/07/2017	Shree Krishna Engg Company	21.05

* The above costs is exclusive of applicable taxes

Plant & Machinery

The company proposes to acquire machineries at an estimated cost of about Rs. 180.20 million. The detailed list of plant & machinery to be acquired by the company provided by JMC Paper Tech Pvt. Ltd dated May 24, 2017. is as under:-

Sr. No.	Description	₹ in Millions*
1	Plant Machinery (JMC) - without duty, tax Transportation handling etc	90.70
2	Other Machine Parts -includes Pumps, Vacuum Pump, Compressor, Refiners, Platforms and ladders etc	14.00
3	Electrification	25.00
4	Eot Crane	5.00
5	Water Supply/Borewell	1.20
6	Sedice For 600 M	5.80
7	Lab Equipment	0.90
8	Weigh Bridge And Scale	1.00
9	Pipe Line Fittings Condensate Removal System	21.00
10	Erection And Consultation Fee	5.00
11	Workshop Equipment	1.60
12	Machine Clothing And Hardwares, Other	9.00
TOTAL		180.20

* The above costs is exclusive of applicable taxes

As on the date of the RHP, our Company has placed orders for supply of below machineries:

Head	Description	Purchase Order No.	Purchase Order Date	Name of the Supplier	Amount (Rs. in million)*
P & M	Pressurised Headbox SS316L	PO1170/17/00106	27/06/2017	Annapurna Imports	5.00
P & M	CI Press Roll W/O Rubber 1460mm Shell and Rotary for Press Roll	PO1170/17/00107	27/06/2017	Annapurna Imports	9.94
P & M	CI dryer with BRG & HSG (23148 KC3)1800MM(AS DRWG) & CI Dryer- Chrome Plated	PO1170/17/00105	27/06/2017	Annapurna Imports	18.62
Other	Suction Couch Roll With BRG & HSG	PO1170/17/00218	24/07/2017	Annapurna Imports	3.15
P & M	Calendar Complete	PO1170/17/00219	24/07/2017	Annapurna	

	System 4100 MM & Dandy Roll 1200X4400 MM & Press Roll bearing with COL system 24184 KC3W33 & Press Roll housing with COL system KC3W33			Imports	11.82
P & M/ Electrification	Wire Part & Dryers & Its Parts	PO1170/17/00216	01/07/2017	JMC Paper Tech	51.10
Other M/C Parts	D Type LC Pulper LCD-26 & High Density Cleaner HDC 04 & Screen	PO1170/17/00194	15/07/2017	Parason Machinery	10.41
Pipe & Cond System	Effluent Treatment Unit DAF :IDC 600m3/Hr	PO1170/17/00279	24/08/2017	Ishan Paryavaran Pvt Ltd.	1.65
Electrification	Axpert Automation System	PO1170/17/00286	29/08/2017	Amtech Electronics (India)Ltd	11.60
Electrification	STD & IE2 Motors	PO1170/17/00350	04/10/2017	Makharia Machinerries Pvt. Ltd.	8.06
Pipe & Cond System	Steam & Condensate System	PO1170/17/00351	28/09/2017	Forbes Marshall Pvt. Ltd.	4.25
Other	Slat Conveyor-1500MM	PO1170/17/00419	08/11/2017	Sajan Equipments	1.60
Other	Quality Control Scanner	PO1170/17/00415	06/11/2017	Jasch Industries Limited	4.00

* The above costs is exclusive of applicable taxes

Contingencies and other costs

We have created a provision for contingency of ₹ 7.50 million to cover legal fees, professional fees to various consultants, related taxes, levies and other duties, as applicable, and any increase in the estimated cost of setting up the manufacturing facility

No second-hand machinery or material is proposed to be purchased out of the aforesaid objects. The abovementioned Plant & Machinery is proposed to be acquired in a ready-to use condition.

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at additional manufacturing facility, according to the business requirements of such facility, which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

Proposed Schedule of Implementation:

Particulars	Facility		Revised Commencement Date	Revised Completion Date
	Estimated Commencement Date	Estimated Completion Date*		

Construction of Building	Aug 2017	Nov 2017	Started	Dec 2017
Order for Machinery	Aug 2017	Nov 2017	Started	Nov 2017
Delivery / Installation Of machinery	Oct 2017	Nov 2017	Dec 2017	Dec 2017
Trial run	December 2017		January 2018	
Commercial Operation Date (COD)	January 2018		January 2018	

* The scheduled trial run of additional facility for manufacturing of Kraft Paper was as estimated by our management and as per Appraisal report of CARE. The schedule of trial run has undergone a change because of delay in shipment of machinery. However, our management estimates that the Commercial operation date will not be affected.

Funds deployed

In accordance with the certificate of M/s S. N. Shah & Associates, Chartered Accountants, dated November 15, 2017, as of November 14, 2017, our Company has deployed following funds towards setting up of additional facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F

Expenditure incurred

Particulars	Amount Deployed in (Rs. Millions)
Factory Building	21.86
Plant & Machinery	11.39
Contingencies and other costs	0.62

Land: The proposed setting up of additional facility for manufacturing Kraft Paper of lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 BF to 20 BF is to be set up on the existing available free hold land situated at Survey No. - 49/paiki 1, 50, 54, 55, 52/1, 52/2 and 53/1 and 53/2, Vill: Sukhpar, Taluka: Halvad, Dist: Surendranagar, Gujarat in the name of the Company. We currently have our existing unit situated on a total of 99251 sq. mt. area out of that currently we have constructed shed in 18531 sqmtrs. However, we propose to set up an additional manufacturing facility available in the existing unit in balance land and shed construction will be around 6982 sq mtrs.

Power: We have an electricity supply agreement for a supply of upto 2900KVA with Paschim Gujarat Vij Company Limited and an in house captive power plant of 3000 KVA to support our electricity requirements. The Company will have total requirement of connected Electricity load of 6950 KVA for the total plant requirement. We will apply to PGVCL for additional electricity requirement.

Water: Water requirement would be met through bore-wells.

Government and other approvals: Our Company has obtained consent to establish from GPCB for additional manufacturing facility of 12,000 mt p.a..

3. Working Capital

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, unsecured loans and capital raising through issue of Equity Shares. As on March 31, 2017 and March 31, 2016, The amount outstanding on our Company's fund based working capital facility was ₹ 253.85 million and ₹ 194.00 million respectively and the amount outstanding on our Company's non fund based working capital facility was ₹ 171.80 million and ₹ 173.46 million respectively as per restated financial statements. As on March 31, 2017, our sanctioned working capital facilities comprising fund based limit of ₹275.00 million and non- fund facilities of ₹150.00 million. Thereafter, we have also been sanctioned additional non fund based credit facilities amounting to Rs. 30 millions vide a letter dated June 1, 2017 from Union Bank of India and additional credit facilities amounting to Rs. 70 millions vide a letter dated August 11, 2017 from State Bank of India. Accordingly, the total working capital facilities through bank finance aggregates to Rs. 525 millions as on the date of the RHP. For further

details, please refer to the chapter titled “Financial Indebtedness” beginning on page 215.

Our Company’s existing working capital requirement and funding on the basis of Restated Financial Information as of March 31, 2016 and March 31, 2017:

Basis of estimation of working capital requirement

Amount (₹In millions)

Particulars	Fiscal 2016	Fiscal 2017
Current Assets		
Current Investments	0.53	-
Inventories		
Raw material	213.42	291.10
Work in Progress	5.65	7.11
Finished goods	34.89	22.04
Coal & Fuel	29.15	41.43
Packing Material /Stores &Spares	69.76	61.95
Trade Receivables	371.41	349.28
Cash and Bank Balance	52.98	60.60
Short term loans & advances and other Current Assets	58.96	89.35
Total (A)	836.75	922.86
Current Liabilities		
Trade Payables	219.43	252.31
Other Current Liabilities and provisions	119.06	124.24
Total (B)	338.49	376.55
Total Working Capital (A)-(B)	498.26	546.31
Existing Funding Pattern		
Working Capital funding from Banks	367.47	425.65
Unsecured Loan from Directors and other Body Corporates	3.84	1.26
Internal accruals/Net Worth	126.95	119.40

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated June 14, 2017 and confirmed by the IPO Committee resolution dated June 15, 2017 has approved the business plan for the Five year period for Fiscals 2017, 2018, 2019, 2020 and 2021. The projected working capital requirements for Fiscal 2018 and 2019 are as stated below:

Amount (₹.Millions)

Particulars	Fiscal 2018
Current Assets	
Inventories	
Raw material	400.00
Work in Progress	10.00
Finished goods	47.90
Coal & Fuel	64.67
Packing Material /Stores &Spares	68.37
Trade Receivables	666.92
Cash and Bank Balance	61.20
Short term loans & advances and Other current assets	125.56
Total (A)	1444.62
Current Liabilities	

Particulars	Fiscal 2018
Trade Payables	210.30
Other Current Liabilities and Provisions	149.8
Total (B)	360.10
Total Working Capital (A)-(B)	1084.52
Existing Funding Pattern	
Working Capital funding from Banks	525.00
Internal accruals/Net Worth	320.52
IPO Proceeds	239.00

Assumption for working capital requirements

Assumptions for Holding Levels*

(In months)

Particulars	Holding Level for Fiscal 2016	Holding Level for Fiscal 2017	Holding Level for Fiscal 2018 (Estimated)
Current Assets			
Raw material	2.55	3.00	3.25
Work in Progress	0.05	0.05	0.06
Finished Goods	0.31	0.17	0.29
Coal & Fuel	1.65	2.03	2.48
Packing Material /Stores &Spares	20.45	14.34	12.19
Trade Receivables	2.63	2.06	3.06
Current Liabilities			
Trade Payables	4.35	3.94	2.36

Justification for “Holding Period” levels

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

Assets- Current Assets	
Inventories	<ul style="list-style-type: none"> Raw material consist mainly of waste paper which is imported and thus it takes around 2.5-3.0 months from the placement of order and thus our Company intends to keep inventory of around 3.25 months as we expect increase in growth of our business operations during the year on account of utilization of existing capacity and also setting up of additional manufacturing facility for manufacturing of Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F Production is done as per customers needs and requirements and thus minimal inventory of finished goods and work in progress exists. Coal purchase is made on high sea sales in bulk to have a better pricing. Stock of Stores and spares consists of spares which can be used in case of brake/damage in machine which can be required in emergency because need of spares cannot be predictable so to avoid unnecessary shut- down it is good to maintain in stock. Other than that it consist of consumable which are regularly used like grease, oil, bearings, belts etc.
Trade receivables	Our Company shall give credit facility of around 3.06 months to our debtors on addition of new category of product in our portfolio. Further we intend to tap new customers and provide liberal credit facility to our trade receivables for expanding our sales.

Assets- Current Assets	
Liabilities-Current Liabilities	
Trade Payables	Our creditors primarily comprises of payables for raw material, Coal, Packing & Stores and service providers. Our creditors for goods based on restated financial statements were 4.35 months and 3.94 months of domestic purchase for fiscal 2016 and fiscal 2017 respectively. Going forward we expect to prune our creditors days by infusing funds towards working capital from the net issue proceeds. We have assumed creditors days of 2.36 months of local purchase for Fiscal 2018.

Our Company proposes to utilize Rs. 239.00 millions of the Net Proceeds in Fiscal 2018 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2018 will be arranged from existing Equity, Bank loans and internal accruals.

Pursuant to the certificate dated June 14, 2017, S.N. Shah & Associates, Chartered Accountant, have compiled the working capital estimates from the Restated Financial Information for the Financial Years 2016 and 2017 and the working capital projections as approved by the Board pursuant to its resolution dated June 14, 2017.

4. Part Repayment of Unsecured loans availed by our Company

Our Company has availed unsecured loan from various entities including Group Company ie Shreerangam Packaging Private Ltd on time to time basis and which are repayable on demand for capital expenditure and meeting working capital requirements of the Company. As on November 14, 2017, with respect to the loans proposed to be repaid from Net Proceeds of the Issue, our Company had outstanding indebtedness from concerned entities amounting to Rs. 92.67 million as certified by the Statutory Auditor M/s S.N. Shah & Associates, Chartered Accountants vide their Certificate dated November 15, 2017. We believe that such repayment will help reduce our outstanding indebtedness and improve our debt-equity ratio. We believe that reducing our indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability and improve our leverage capacity.

The details of the repayment of loans are provided below:

(Rs. In million)

Name of Lender	Amount Outstanding as on May 31, 2017	Amount Outstanding as on Nov 14, 2017	Rate Of Interest	Security	Tenure	Purpose/ Utilisation	Repayment from the Net Proceeds of the Issue
Shree Vadechi Infrasoftware Private Limited*	8.97	11.80	9.00%	Unsecured loan	Repayable on demand	Working Capital	7.00
Aryaman Enterprise Pvt. Ltd*	38.73	41.40	9.00%	Unsecured loan	Repayable on demand	Working Capital/Repayment of other Unsecured Loan	38.73
Goldleaf Enterprise Pvt. Ltd	21.50	22.72	9.00%	Unsecured Loan	Repayable on Demand	Working Capital	21.50
DIP Versha Buildcon India Private Limited	5.50	5.81	9.00%	Unsecured Loan	Repayable on Demand	Working Capital/Repayment of other Unsecured Loan	5.50
Shreerangam Packaging Private Limited	8.27	10.93	12.00%	Unsecured Loan	Repayable on Demand	Working Capital and capital expenditure	8.27

We may repay the above loans, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of

the Issue.

5. General Corporate Purpose

The Net Proceeds will be first utilized towards the Objects as mentioned 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:

- (i) strategic initiatives
- (ii) brand building and strengthening of marketing activities; and
- (iii) ongoing 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 ₹ [•] million. 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.

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Fees payable to the Book Running Lead Manager (including Underwriting commission)	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Fees payable to the Registrar to the Issue	[•]	[•]	[•]
Brokerage and selling commission payable to Syndicate**	[•]	[•]	[•]
Brokerage and selling commission payable to Registered Brokers**	[•]	[•]	[•]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs**	[•]	[•]	[•]
Others (listing fees, legal fees, stationery charges, bankers to the Issue, auditor's fees etc.)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

*Will be incorporated at the time of filing of the Prospectus.

** 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	0.35% ^ (exclusive of applicable Goods and Service Tax)
Portion for NIIs	0.20% ^ (exclusive of applicable Goods and Service Tax)

^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 ₹ 10 (plus applicable Goods and Service Tax) 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.

***Registered Brokers, will be entitled to a commission of ₹ 10 (plus applicable Goods and Service Tax) 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.

**** SCSBs would be entitled to a processing fee of ₹ 10 (plus applicable Goods and Service Tax) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.

Deployment of Funds

The details of the amount spent by our Company as of November 14, 2017 towards the Issue Expenses and as certified by our Statutory Auditor, Mr. S.N. Shah & Associates, Chartered Accountants, vide certificate dated November 15, 2017 are provided in the table below:

(₹ in million)

Deployment of Funds	Amount
Issue Related Expenses	7.87
Total	7.87

(₹ in million)

Source of Funds	Amount
Internal Accrual	7.87
Total	7.87

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 setting up of additional manufacturing facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance setting up of additional manufacturing facility requirements will be repaid from the Net Proceeds of the Issue.

INTERIM USE OF FUNDS

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

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

MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 1,000 million. 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 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 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 Offer from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Offer from the objects of the Offer as states 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, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except repayment of Unsecured loan taken from our Group Company, Shreeangam Packaging Private Limited and in the normal course of business and in compliance with the applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLM on the basis of an assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the 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 the face value at the higher end of the Price Band.

Investors should also refer to the sections “Our Business”, “Risk Factors” and “Financial Statements as Restated” on pages 143, 17 and 194, 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:

- Our experienced management and dedicated employee base
- Scalable Business Model
- Quality certifications
- Repeat orders
- Location Advantages

For further details, refer to heading “Our Competitive Strengths” under the chapter titled “*Our Business*” beginning on page 143 of this Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for the period ended September 30, 2017 and for the Financial Year 2017, 2016 and 2015 prepared in accordance with Indian GAAP, The Companies Act, 2013 and Restated in accordance with SEBI ICDR Regulations. For details, refer chapter titled “Financial Statements as Restated” beginning on page 194 of the RHP. Some of the quantitative factors, which may form the basis for computing the Issue Price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	Basic and diluted EPS (Rs.)	Weight
March 31, 2017	3.06	3
March 31, 2016	1.87	2
March 31, 2015	1.33	1
Weighted average	2.38	
Six months period ended September 30, 2017*	2.91	

* Not annualised

Note:-

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 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 Summary Financial Information of our Company.
2. The face value of each Equity Share is ₹ 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.

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

Particulars	P/E Ratio at the lower end of Price Band (no. of times)	PE Ratio at the higher end of Price Band (no. of times)
Based on basic and diluted EPS as per the Restated Standalone Financial Statements for FY 2017	[●]	[●]
Based on weighted average basic and diluted EPS	[●]	[●]

Industry P/E ratio

Particulars	P/E
Highest	36.11
Lowest	15.05
Average	22.89

Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. For further details, see “– Comparison of Accounting Ratios with Listed Industry Companies” on Note 6 of this chapter.

2. Return on Net worth (RoNW)

Return on Net Worth (“RoNW”) as per restated financial statements

Year ended	RoNW (%)	Weight
March 31, 2017	21.98	3
March 31, 2016	17.21	2
March 31, 2015	14.11	1
Weighted Average	19.07	
Six months period ended September 30, 2017*	17.50	

* Not annualised

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the period/ year. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

3. Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2017

Particulars	At Floor Price	At Cap Price
To maintain pre-Issue Basic and Diluted EPS for the year ended March 31, 2017	[●]%	[●]%

4. Net Asset Value (NAV)

Particulars	Rs per share
Net Asset Value per Equity Share as on March 31, 2017 as per Restated Financial Statements	13.94
Net Asset Value per Equity Share as on September 30, 2017 as per Restated Financial Statements	16.62
Net Asset Value per Equity Share after the Issue at Floor Price	[●]
Net Asset Value per Equity Share after the Issue at Cap Price	[●]
Issue Price per equity share	[●]

Net Asset Value per Equity Share has been calculated as net worth as per Restated Financial Statements divided by number of equity shares outstanding at the end of the period/ year.

Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company. Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

5. Comparison with other listed companies

Name of the Company	CMP *	EPS (Rs. per share)	P/E Ratio	RONW (%)	NAV (Rs. per share)	Face Value (Rs. per share)	Total Income (Rs. in millions)
Astron Paper and Board Mill Limited	[●]	3.06	[●]	21.98	13.94	10.00	1,845.89
Peer Group							
Shree Ajit Pulp and Paper Limited	209.10	11.95	17.50	6.84	174.77	10.00	2,087.55
Genus Paper & Boards Limited	9.75	0.27	36.11	2.14	12.60	1.00	3,130.43
South India Paper Mills Limited	126.55	8.41	15.05	9.21	91.33	10.00	1,967.41

*Source: www.bseindia.com

Notes:

1. Considering the nature and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.
2. The figures for Astron Paper and Board Mill Limited are based on the restated financial statements for the year ended March 31, 2017.
3. The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2017.
4. Current Market Price (CMP) is the closing prices of respective scripts as on November 9, 2017.
5. NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.
6. P/E Ratio has been computed based on the closing market price of equity shares on November 9, 2017, divided by the EPS.
7. RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves).
8. The Issue Price of Astron Paper and Board Mills Limited will be Rs. [●] per Equity Share. Astron Paper and Board Mills Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.
9. The Issue Price of ₹ [●] will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market 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” and “Financial Statements, as Restated” beginning on pages 17 and 194, respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in “Risk Factors” beginning on page 17 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

Statement of possible special tax benefits available to the Company and its shareholders under the applicable laws in India

To,
The Board of Directors
Astron Paper& Board Mill Limited
D-702, Ganesh Meridian,
S G Highway, Ahmedabad.

Sub: Statement of possible special tax benefits (the “Statement”) available to Astron Paper& Board Mill Limited (the “Company”) and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the “Regulations”)

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

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

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

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

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.

For

S.N Shah & Associates,
Chartered Accountants

Firm Registration Number: 109782W

FIROJ G. BOLA
Partner

Membership No: 126770

Place: Ahmedabad
Dated : June 14, 2017

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the direct tax laws in force in India (i.e. applicable for the Financial Year 2016-17 relevant to the assessment year 2017-18.)

Special tax benefits available to the Company

There are no special tax benefits available under the Income Tax Act 1961(the —IT ActI) to the Company.

Special tax benefits available to the shareholders of the Company

There are no special tax benefits available under the Income Tax Act 1961(the —IT ActI) to the Shareholders.

SECTION V - ABOUT US

INDUSTRY OVERVIEW

The information in this section is derived from report titled “Research Report on Kraft Paper – May 2017” (“CARE Report”) and also includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 17 and 194 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

The CARE Report was commissioned by our Company and has been prepared by CARE Advisory – a division of CARE Advisory Research and Training Limited, for which, our Company had made a payment to CARE Advisory. CARE Advisory has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. CARE Advisory, a division of CARE Advisory Research and Training Limited has taken due care and caution in preparing the CARE Report based on the information obtained by CARE from sources which it considers reliable (the “Data”). However, CARE does not guarantee the accuracy, adequacy or completeness of the Data/ CARE Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report.

The CARE Report is not a recommendation to buy, sell or hold an instrument in any company covered in the CARE Report. CARE Advisory is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CARE Advisory. CARE Advisory operates independently of, and does not have access to information obtained by CARE’s Ratings Division, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CARE Report are that of CARE Advisory and not of CARE’s Ratings Division/CARE Ratings and cannot be compared to the rating assigned to the company within this industry by the ratings division.

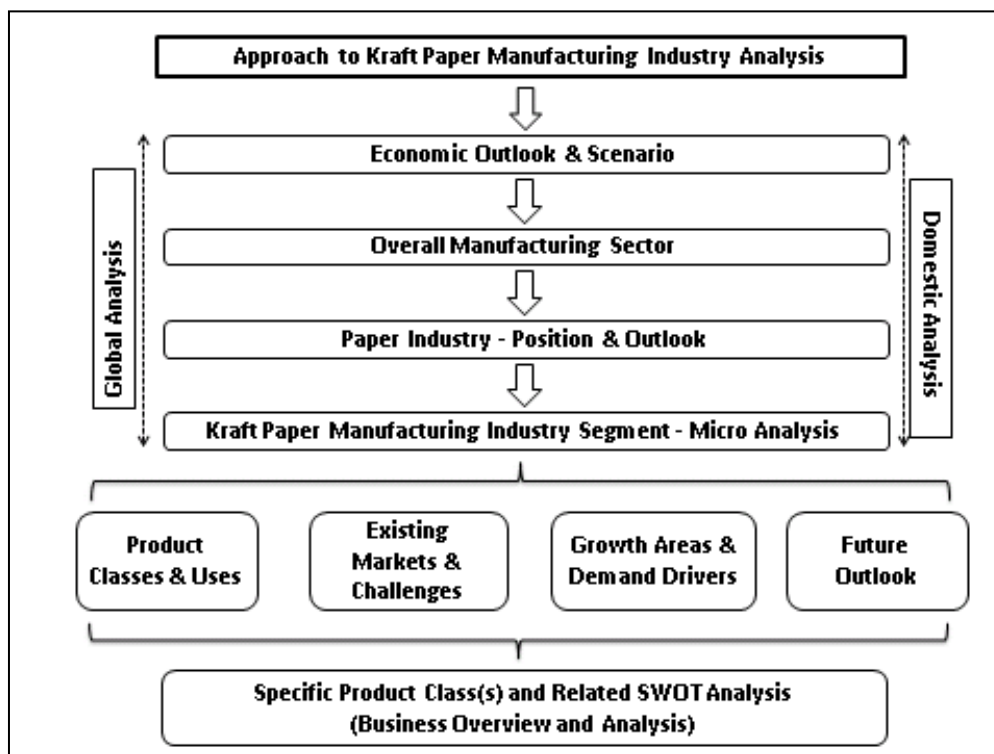
INTRODUCTION TO INDIAN PAPER INDUSTRY

The Indian paper industry accounts for about 3% of the world’s production of paper. The estimated turnover of the industry is INR 50,000 crore (USD 8 billion) approximately and its contribution to the exchequer is around INR 4,500 crore. The industry provides employment to more than 0.5 million people directly and 1.5 million people indirectly. Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc. In terms of share in total production, approximately 24% are based on wood, 65% on recycled fibre and 11% on agro-residues. The geographical spread of the industry as well as market is mainly responsible for regional balance of production and consumption.

The per capita paper consumption in India at a little over 13 kg, is way behind the global average of 57 kg. India is the fastest growing market for paper globally and it presents an exciting scenario; paper consumption is poised for a big leap forward in sync with the economic growth. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes.

(Source: Indian Paper Manufacturers Association (IPMA) www.ipma.co.in)

APPROACH TO KRAFT PAPER MANUFACTURING INDUSTRY ANALYSIS



Analysis of Kraft Paper Manufacturing Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Kraft Paper Manufacturing Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of “Manufacturing Sector” should be at preface while analysing the “Kraft Paper Manufacturing Industry”.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall manufacturing sector is “Paper Industry”, which in turn encompasses various components one of them being “Kraft Paper Manufacturing Industry”.

Thus, “Kraft Paper Manufacturing Industry” should be analysed in the light of “Paper Industry” at large. An appropriate view on Kraft Paper Manufacturing Industry, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Paper Industry and Kraft Paper Manufacturing Segment micro analysis.

This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (“Pantomath”) and any unauthorized reference or use of this Note, whether in the context of Paper industry and / or any other industry, may entail legal consequences.

GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India’s capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world’s “political carrying capacity for globalisation” may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India’s export and growth prospects

Third, developments in the US, especially the rise of the dollar, will have implications for China’s currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could

interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL ECONOMIC OUTLOOK

As per International Monetary Fund (IMF) January 2017 World Economic Outlook (WEO), Global growth is projected to be lower at 3.1 percent in 2016 before recovering to 3.4 percent in 2017. Advanced economies are projected to grow by 1.9 percent in 2017 and 2.0 percent in 2018. EMDE growth is currently estimated at 4.1 percent in 2016, and is projected to reach 4.5 percent in 2017. The forecast, reflects a more subdued outlook for advanced economies following the June U.K. vote in favor of leaving the European Union (Brexit) and weaker-than-expected growth in the United States. These developments have put further downward pressure on global interest rates, as monetary policy is now expected to remain accommodative for longer.

The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies—most notably India, Brazil, and Mexico. The projected pickup in growth in the next two years—despite the ongoing slowdown in China—primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be hit by new economic or political shocks.

Among advanced economies, activity rebounded strongly in the United States after a weak first half of 2016, and the economy is approaching full employment. Output remains below potential in a number of other advanced economies, notably in the euro area. Preliminary third-quarter growth figures were somewhat stronger than previously forecast in some economies, such as Spain and the United Kingdom, where domestic demand held up better than expected in the aftermath of the Brexit vote. Historical growth revisions indicate that Japan's growth rate in 2016 and in preceding years was stronger than previously estimated.

The picture for emerging market and developing economies (EMDEs) remains much more diverse. The growth rate in China was a bit stronger than expected, supported by continued policy stimulus. But activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil, as well as in Turkey which faced a sharp contraction in tourism revenues. Activity in Russia was slightly better than expected, in part reflecting firmer oil prices. On the other hand, according to the World Bank, Global growth is estimated to have fallen to 2.3 percent in 2016—the weakest performance since the global financial crisis which is due to global trade, weak investment, and heightened policy uncertainty have depressed world economic activity. Global growth is expected to rise to 2.7 percent in 2017, mainly reflecting a recovery in emerging market and developing economies (EMDEs).

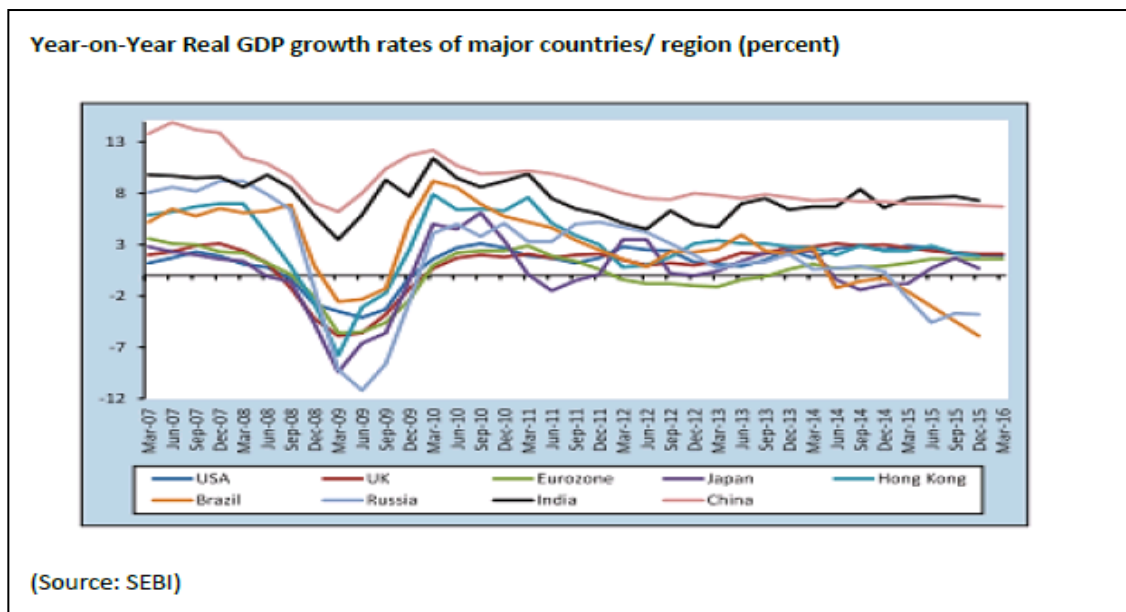
(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

Country groups	2014	2015	2016e	2017f	2018f	2019f
Aggregates						
Advanced economies	1.9	2.1	1.6	1.8	1.8	1.7
High-income economies	1.9	2.2	1.6	1.8	1.8	1.7
Developing economies	4.4	3.6	3.5	4.4	4.8	4.9
Low-income economies	6.2	4.8	4.7	5.6	6.0	6.1
BRICS	5.1	3.8	4.3	5.1	5.4	5.5
EMDEs	4.3	3.5	3.4	4.2	4.6	4.7
World	2.7	2.7	2.3	2.7	2.9	2.9

Country groups	2014	2015	2016e	2017f	2018f	2019f
Regions/economies						
Europe and Central Asia*	2.3	0.5	1.2	2.4	2.8	2.9
Latin America and the Caribbean*	0.9	-0.6	-1.4	1.2	2.3	2.6
Middle East and North Africa*	3.3	3.2	2.7	3.1	3.3	3.4
Sub-Saharan Africa*	4.7	3.1	1.5	2.9	3.6	3.7
East Asia and Pacific*	6.7	6.5	6.3	6.2	6.1	6.1
South Asia*	6.7	6.8	6.8	7.1	7.3	7.4

* Includes emerging market and developing economies (EMDE), e-estimates; f-forecast

(Source: World Bank, International Monetary Fund)



(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

OVERVIEW OF INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world as per the International Monetary Fund (IMF). According to the Economic Survey 2016-17, Real GDP growth of the Indian economy is expected to be in range of 6.75% to 7.5% for FY 2017-18. Even under this forecast, India would remain the fastest growing major economy in the world. The improvement in India's economic fundamentals has accelerated from the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

Indian Economy Prognosis for the FY 2017-18: (Source: CARE Ratings)

India has emerged as one of the fastest growing economies in recent times. The global growth prospects also look positive with the main economies gradually ascending the growth ladder. The Indian economy is expected to embark on higher economic growth trajectory in FY18 owing to proactive measures taken by the government as well as favourable economic conditions expected to prevail during the course of the year.

The main driving forces in FY18 would be:

- Increased government spending in infrastructure
- Pick up in private investment
- Good monsoon
- Expected surge in consumer spending with pent up demand being satiated
- The Goods and Services Tax (GST), which is likely to be implemented from July 1, 2017, has potential to spur the economy further.

The economic outlook of the Indian economy looks positive with the country expected to grow at more than 7.5% in FY18 before moving past the 8% trajectory in FY19. Certain threats, however, prevail in terms of upside risk to inflation, increasing global commodity prices especially crude oil prices, slower growth in investment and credit, rising bad loans issue and uncertain trade prospects with appreciating rupee and uncertain global economic conditions. Globally, protectionism adopted by the US and higher interest rates by the Fed, revival in European countries and higher growth in China causing diversion of funds from India could counter the prospective growth story of the country, going ahead.

Bypassing the risk of slowdown post-demonetisation, the Indian economy is estimated to grow at 7.1% in FY17 according to the Central Statistics Office (CSO). However, this growth rate would still be lower compared with

the impressive 7.9% growth recorded in FY16. The GDP growth of FY17 is expected to be supported by the agriculture growth of 4.4% vis-à-vis 0.8% growth in FY16 and capped by estimated subdued growth in industry (5.8% as against 8.2% in FY16) and services (7.9% compared to 9.8% growth in FY16).

GDP:

Growth expected to be in the range of 7.6% - 7.8% in FY18. The high GDP growth numbers in FY18 will be realised on account of increased agricultural production owing to prediction of near normal monsoons this fiscal, enhanced government expenditure, pick up in industrial activities and likely uptick in consumer demand aided in part by the 7th Pay Commission allowances to be awarded in the on-going fiscal. The implementation of Goods and Services Tax (GST) is also expected to aid the economic growth in the medium term.

Improvement in investments:

In the fiscal year FY17, the gross fixed capital formation (GFCF) recorded a decline to 26.9% of GDP as against 29.2% of GDP recorded in FY16. Lower private sector spending led to low capacity utilization which in turn hampered the overall investment in the economy. Also private sector investment in infra has not yet picked up.

Investment will be driven in FY18 mainly by the central government which is expected to concentrate on spending on roads, railways and urban development. States may not be in a position to spend too much as they have already taken on the additional debt of the DISCOMs through the UDAY bonds. Private sector investment in infra would come with a lag while that in manufacturing would be contingent on links between higher consumption and capacity utilization across sectors. Although, overall investments are likely to see an improvement, it could be marginal in nature and as a percent of GDP would continue to be below the levels seen during FY12-FY16 (34.3% to 29.2%). CARE expects the gross fixed capital formation (GFCF) to increase to around 27.5% of GDP in FY18.

Agriculture:

Agriculture and allied services accounts for approximately 15% of the gross value added (GVA). Despite monsoon being deficient in certain parts of the country, the overall monsoon was considered to be normal in 2016-17 after 2 consecutive years of drought, which aided growth in agriculture during FY17. The agricultural sector is expected to grow by 4.4% in FY17 as against the 0.8% growth in FY16. According to the Ministry of Agriculture the food grains production in FY17 is estimated to touch a record high of 271.98 million tonne.

The Indian Meteorological Department has predicted a 96% turnaround of monsoon this season (monsoon is considered normal when the rainfall is 96-104% of the long period average) following which the government has set food grain output target at 273 million tonne for FY18 crop year. CARE expects the agricultural sector to grow at 3-4% in FY18 with both kharif and Rabi crop output to meet targets.

Industry Prospects:

In FY17, the industrial output growth remained subdued at 0.4% in FY17 (Apr-Feb), lower than 2.6% growth in the corresponding period last fiscal year. Although the segments mining & quarrying and electricity segments supported overall industrial growth the negative growth (-0.3%) in the manufacturing sector lowered the cumulative industrial growth rate in FY17. Within the use-based industrial classification, basic goods and intermediate goods fared well while contraction in capital goods and subdued growth in consumer goods hampered overall industrial growth numbers.

Overall industrial activity is expected to witness expansion in this fiscal with improved demand across various segments.

The government expenditure on infrastructure will be higher that will give an impetus to the industrial sector.

- Private sector investment is expected to grow especially on sectors pertaining to roads, ports and power.
- Consumer durables demand is likely to see an uptick in the second half of the fiscal year. This would be due to a couple of factors: first, good monsoon and farm harvest and second, satiation of pent up demand in FY18 on account of inability to spend in H2-FY17 due to demonetization.
- Capital goods are expected to grow, albeit with a lag as private sector investment will eventually reflect in growth of this segment.

- The capacity utilisation of the industrial sector will increase gradually.

Collectively, all this will lead to better industrial output this fiscal. Thus, CARE expects the industrial output to grow at 4-5% in FY18.

Government Initiative:

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Government has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy. This initiative is expected 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 raise the weightage contribution of manufacturing sector and aims to take it up to 25 per cent of the GDP.

The Government of India has also launched an initiative to create 100 smart cities as well as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities with an outlay of Rs.48,000 crore (US\$ 7.47 billion) and Rs.50,000 crore (US\$ 7.34 billion) crore respectively. Smart cities are satellite towns of larger cities which will consist of modern infrastructure and will be digitally connected.

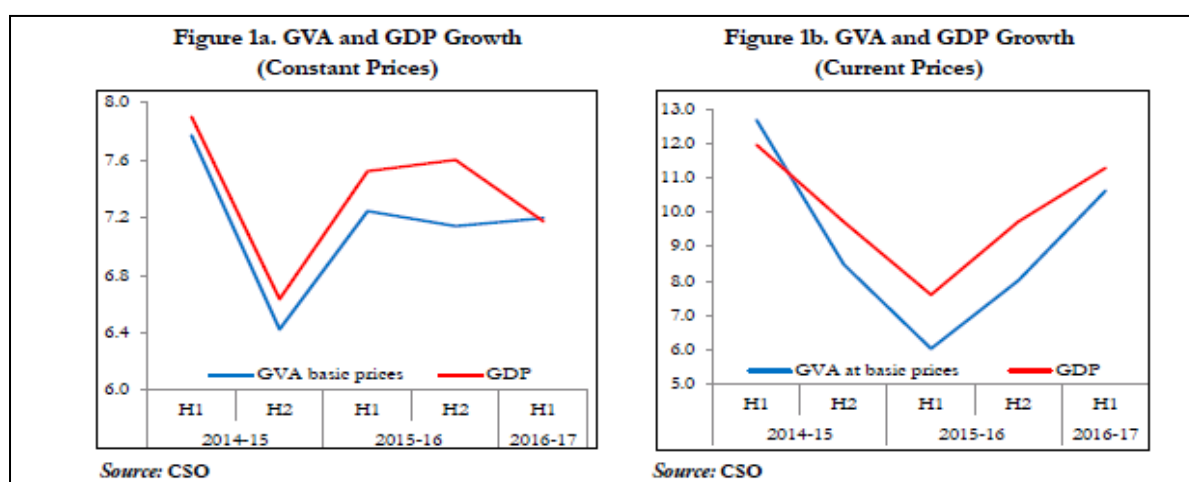
Road Ahead:

As per the World Bank outlook January 2017, India's GDP is projected to be 7.6% for 2017 and increase to 7.8 % for 2018 and 2019. According to GoI, Indian economy would continue to grow at 7 to 9 per cent and would double in size to US\$ 4–5 trillion in a decade, becoming the third largest economy in absolute terms.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com).

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).

Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments. State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2016-17

This year's outlook must be evaluated in the wake of the November 8 action to demonetize the high denomination notes. But it is first important to understand the analytics of the demonetisation shock in the short run. Demonetisation affects the economy through three different channels. It is potentially: 1) an aggregate demand shock because it reduces the supply of money and affects private wealth, especially of those holding unaccounted money; 2) an aggregate supply shock to the extent that economic activity relies on cash as an input (for example, agricultural production might be affected since sowing requires the use of labour traditionally paid

in cash); and 3) an uncertainty shock because economic agents face imponderables related to the magnitude and duration of the cash shortage and the policy responses (perhaps causing consumers to defer or reduce discretionary consumption and firms to scale back investments).

Demonetisation is also very unusual in its monetary consequences. It has reduced sharply, the supply of one type of money— cash—while increasing almost to the same extent another type of money—demand deposits. This is because the demonetized cash was required to be deposited in the banking system. In the third quarter of FY2017 (when demonetisation was introduced), cash declined by 9.4 percent, demand deposits increased by 43 percent, and growth in the sum of the two by 11.3 percent.

The price counterparts of this unusual aspect of demonetisation are the surge in the price of cash (inferred largely through queues and restrictions), on the one hand; and the decline in interest rates on the lending rate (based on the marginal cost of funds) by 90 basis points since November 9; on deposits (by about 25 basis points); and on g-secs on the other (by about 32 basis points).

There is yet another dimension of demonetisation that must be kept in mind. By definition, all these quantity and price impacts will self-correct by amounts that will depend on the pace at which the economy is remonetized and policy restrictions eased. As this occurs, consumers will run down their bank deposits and increase their cash holdings. Of course, it is possible, even likely that the self-correction will not be complete because in the new equilibrium, aggregate cash holdings (as a share of banking deposits and GDP) are likely to be lower than before.

Anecdotal and other survey data abound on the impact of demonetisation. But we are interested in a macro-assessment and hence focus on five broad indicators: Agricultural (Rabi) sowing; Indirect tax revenue, as a broad gauge of production and sales; Auto sales, as a measure of discretionary consumer spending and two-wheelers, as the best indicator of both rural and less affluent demand; Real credit growth; and Real estate prices. Contrary to early fears, as of January 15, 2017 aggregate sowing of the two major rabi crops—wheat and pulses (gram)—exceeded last year's planting by 7.1 percent and 10.7 percent, respectively. Favourable weather and moisture conditions presage an increase in production. To what extent these favourable factors will be attenuated will depend on whether farmers' access to inputs—fertilizer, credit, and labour—was affected by the cash shortage.

To estimate a demonetisation effect, one needs to start with the counterfactual. Our best estimate of growth in the absence of demonetisation is 11¼ percent in nominal terms (slightly higher than last year's Survey forecast because of the faster rebound in WPI inflation, but lower than the CSO's advance estimate of 11.9 percent) and 7 percent in real terms (in line with both projections).

Finally, demonetisation will afford an interesting natural experiment on the substitutability between cash and other forms of money. Demonetisation has driven a sharp and dramatic wedge in the supply of these two: if cash and other forms are substitutable, the impact will be relatively muted; if, on the other hand, cash is not substitutable the impact will be greater.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely

to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses were in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geopolitics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

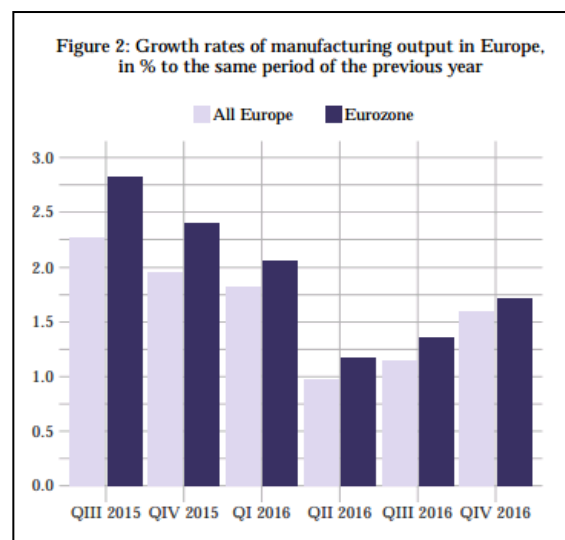
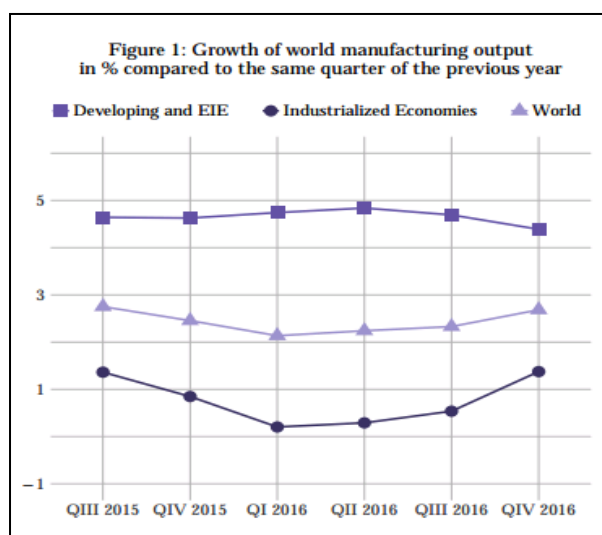
(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

World manufacturing growth

World manufacturing output growth improved slightly during the final quarter of 2016. Fourth quarter figures show that the improvement is primarily attributable to the continuing recovery process in industrialized economies. However, manufacturing output growth further slowed in developing and emerging industrial economies. Although the overall growth trend in world manufacturing was positive in the second half of 2016, geopolitical uncertainty remained high and potential changes in global trade arrangements may create new risks.

Against the backdrop of sluggish dynamics, world manufacturing output rose by 2.7 per cent in the fourth quarter of 2016 compared to the same period of the previous year, which is higher than the 2.3 per cent rise in the third quarter and represents the strongest performance since the beginning of the year. A slightly decelerated growth rate observed in developing and emerging industrial economies during the final quarter of 2016 was compensated by a more positive picture in industrialized countries as their growth performance improved. However, the level of growth in developing economies has been consistently higher than in industrialized countries, as depicted in Figure 1.



Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea and United Kingdom, recorded an expansion compared to the same period of the previous year. In China, the world's largest manufacturer, comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward.

The manufacturing output of industrialized economies increased to 1.4 per cent in the fourth quarter of 2016 from the 0.5 per cent recorded in the previous quarter. This increase is primarily attributable to the performance of East Asia, which experienced a significant reversal in growth in the second half of 2016, following several consecutive slumps that have lasted for nearly two years. The main force driving this nearly 2.9 per cent year-by-year upturn is Japan, East Asia's major manufacturer, whose export-fuelled growth was also supported by a weakened yen against the US dollar. Production in Europe witnessed a healthy growth momentum at the end of 2016, and had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output remained stagnant in the fourth quarter of 2016 and recorded a negligible gain of 0.2 per cent.

The manufacturing output of developing and emerging industrial economies rose by merely 4.4 per cent. This was the first time the growth of these economies was below 5.0 per cent since the beginning of 2015. Asian economies maintained a relatively higher growth rate at 5.5 per cent, but their growth performance hit a multi-year low in the final quarter of 2016. Other regions' production slightly decreased compared to the same period of 2015: by 1.0 per cent in Latin America and 0.5 per cent in Africa. As long as economic and political instability persists in industrialized countries, the threat of another slowdown remains looming over developing economies.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Industrialized Economies

The manufacturing output growth of industrialized economies improved in the last quarter of 2016 from 0.5 per cent in the third quarter to 1.4 per cent. This acceleration was characterized by an upward trend in East Asia and Europe. Manufacturing growth experienced a moderate, albeit noticeable slowdown in North America.

Among the industrialized country group, Europe's manufacturing output grew by 1.6 per cent in the final quarter of 2016, while the eurozone registered a growth rate of 1.7 per cent. The growth trends for these two groups converged and nearly merged at the end of 2016, displaying a fairly balanced resistance and response to adverse impacts. When comparing year-to-year developments among the leading eurozone economies, Italy registered a 2.8 per cent growth rate followed by Germany with a growth rate of 1.2 per cent, while a more moderate growth rate of 0.2 per cent was observed in France. The growth figures for the majority of eurozone countries were positive, with strong growth performance observed in Slovenia - the fastest growing manufacturer among all eurozone countries in 2016. Manufacturing output rose by 2.0 per cent and more in Lithuania, Finland, the Netherlands and Ireland, while Portugal's dropped by 0.6 per cent.

Beyond the eurozone, the manufacturing production in the United Kingdom recorded a positive growth rate in

the final quarter of 2016 at 1.9 per cent, despite an expected slowdown in the aftermath of Brexit. Manufacturing output in the Russian Federation grew by a moderate rate of 1.0 per cent, continuing its shaky recovery after the country's economy was severely hit by the drop in oil prices. The pace of growth remained slow in Czechia and Hungary due to the reduction in EU investment funds and even less positive results came from Switzerland, where manufacturing output dropped by 1.6 per cent compared to the same period of the previous year.

Overall manufacturing production in North America grew by 0.2 per cent compared to the fourth quarter of the previous year. The still strong dollar made American-made goods more expensive and less competitive compared to foreign produced goods, which led to weak exports and subsequently to a negligible 0.2 per cent improvement in total manufacturing output in the United States on a year-to-year basis. Positive growth was reported in the production of motor vehicles, computers, electronic and optical products, but the majority of manufacturing industries reported a decline. In Canada, manufacturing growth in the fourth quarter of 2016 varied considerably by industry. While the production of pharmaceuticals and chemicals remained strong, production in fabricated metal products and in the automotive industry dropped. Aggregated growth of manufacturing output in Canada was 0.2 per cent in the fourth quarter of 2016.

The disruption of a long period of consecutive contraction in the industrialized East Asian economies was confirmed by a positive result in the fourth quarter of 2016 - nearly 2.9 per cent improvement was observed compared to the fourth quarter of 2015. A major force stimulating this change was Japan, which recorded a positive growth rate of 2.7 per cent following a nearly two-year period of consecutive slumps, except for the last quarter, when the first signs of improvement arose. This upswing is primarily attributable to the boost in all three key sectors in Japan - the automotive industry, computers, electronic and optical products and machinery and equipment. Taking advantage of the weakening yen and a pickup in global trade, manufacturing production in the Republic of Korea witnessed a gain of 1.7 per cent. Malaysia's total manufacturing output recorded a 4.9 per cent rise in the fourth quarter of 2016 on a year-to-year basis, and very strong growth figures were also observed in Singapore.

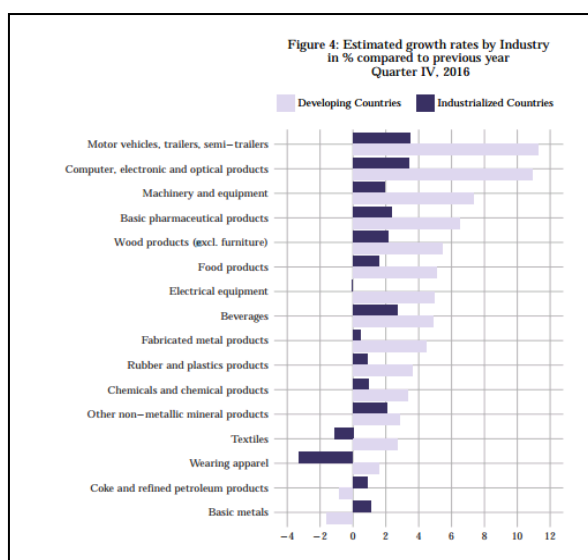
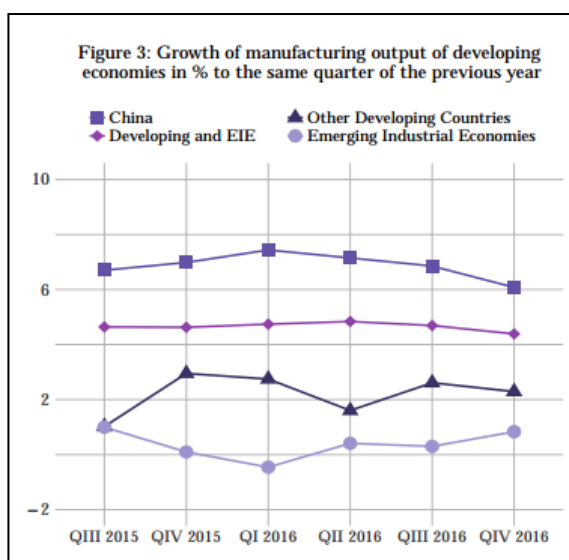
Despite this overall improvement, global growth still looks fragile due to the uncertainty in Europe generated by Brexit and the upcoming U.S. secession from the Trans-Pacific Partnership. On the other hand, a new free-trade agreement between the EU and Canada looks promising for the manufacturing of a number of countries.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Developing and Emerging Industrial Economies

The overall growth of manufacturing output in developing and emerging industrial economies was affected by gloomy signals emanating from the major economies in this group. Although manufacturing activity in China continued to expand, its pace slowed compared to the previous quarter. In the final quarter of 2016, manufacturing production in China rose by 6.1 per cent over the same period of the previous year, reflecting a slowdown from the 6.9 per cent growth rate recorded in the previous quarter. This slightly steeper deceleration was mainly driven by negative growth in the production of basic metals, China's strongest industry. Following an uninterrupted downward trajectory since late 2013, the trend in China now seems to point towards stabilization at a sustainable pace.

Latin American economies, which have recently faced a severe decline due to subdued global demand, low commodity prices and domestic political turbulence, have reduced their declining growth rate to 1.0 per cent. On a sequential basis, the fall in manufacturing activity in Brazil has softened throughout 2016, dropping only by 2.9 per cent in a year-to-year comparison in the final quarter of 2016. The largest expansion was seen in the manufacturing of motor vehicles, closely followed by manufacturing of computer, electronic and optical products. Other larger Latin American manufacturers, namely Mexico and Colombia, recorded a positive growth of 2.0 per cent and 1.5 per cent, respectively, while Argentina, Chile and Peru experienced contractions.



Growth performance was much higher in Asian economies, where manufacturing output rose by 5.5 per cent in the fourth quarter of 2016, a decent result considering that the production growth rate of Asian developing economies has not dropped below 6.0 per cent since the global financial crisis. Viet Nam again confirmed its position as one of the fastest growing Asian economies with a 9.6 per cent gain, benefiting mostly from its attractiveness for foreign direct investment and export oriented industries. Indonesia's manufacturing output expanded by 2.3 per cent in a year-by-year comparison, decelerating from much higher growth rates recorded in previous quarters, while India's manufacturing production output ended the year with a trivial, barely 0.5 per cent rise, the first positive growth figure registered in 2016. According to UNIDO estimates, positive developments were observed in other Asian economies: manufacturing output rose by 3.6 per cent in Saudi Arabia, almost 4.0 per cent in Pakistan and 1.3 per cent in Jordan. Bangladesh managed to maintain its robust growth in the fourth quarter of 2016, while manufacturing output in Mongolia contracted.

Estimates based on the limited available data indicate that manufacturing output in Africa decreased by 0.5 per cent in the final quarter of 2016. In terms of individual countries, a 0.6 per cent drop was registered in South Africa, the region's most industrialized economy. Egypt and Tunisia's manufacturing output also decreased compared to the same period of the previous year, while Morocco and Cote d'Ivoire registered a positive growth rate according to UNIDO estimates.

Among the other developing economies, the manufacturing output of East European countries achieved relatively higher growth rates. Manufacturing output rose by 4.1 per cent in Poland, 4.7 per cent in Romania, 4.3 per cent in Bulgaria and over 5.0 per cent in Serbia and Croatia. Manufacturing production in Turkey grew by 1.4 per cent, reversing the decline registered in the previous period.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Key Findings - Global manufacturing

Global manufacturing production maintained a positive growth in nearly all industries in the final quarter of 2016. High- and medium-high-technology manufacturing industries held top positions, when looking at the year-by-year developments - the manufacture of computers, electronics and optical products grew by 6.3 per cent, the manufacture of motor vehicles rose by 6.2 per cent and the production of pharmaceutical products by 4.0 per cent. However, the production of other transport equipment, another high-technology sector, contracted by 0.9 per cent compared to the same period of the previous year. The largest loss was recorded in the tobacco industry, with its global production declining by 5.8 per cent.

As regards durable and capital goods, the production of machinery and equipment experienced an exceptionally high growth rate at 3.7 per cent in the fourth quarter of 2016. The manufacture of non-metallic mineral products, which essentially supply construction materials, registered a growth figure of 2.5 per cent worldwide. The manufacture of fabricated metal products and furniture both rose at a moderate pace of 1.7 per cent. Worldwide manufacturing of basic metals has systematically lost strength over the last few years and reached a negative growth rate of 0.7 per cent in the fourth quarter of 2016, mostly due to a visibly decreased production of basic metals in China.

Global manufacturing output maintained relatively high growth rates in the production of basic consumer goods.

The manufacture of food products rose by 3.1 per cent and beverages by 3.7 per cent, while the manufacture of wearing apparel increased by 0.5 per cent only. In low-technology manufacturing sectors, the global production of wood products rose by 3.3 per cent while the growth pace of manufacturing of paper products, textiles and leather products remained below 2.0 per cent.

The growth performance of developing and emerging industrial economies outperformed industrialized economies in nearly all manufacturing industries, including a number of high-technology industries, as illustrated in Figure 4. The fastest growing industry in both country groups was the automotive industry, reflecting strong growth of automobile production in China as well as in European countries.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

Market Size

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Foreign Direct Investment (FDI) inflows in India's manufacturing sector grew by 82 per cent year-on-year to US\$ 16.13 billion during April-November 2016. India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Apple plans to produce iPhone SE at an upcoming facility in Bengaluru, owned by its partner Wistron, which has upgraded the plant to assemble Apple iPhones.
- Coca-Cola, the US-based beverage giant, plans to invest around Rs 750 crore (US\$ 112.5 million) to set up a food processing unit and a bottling plant at the newly developed Mohasa-Babai industrial estate in Hoshangabad, Madhya Pradesh.
- Panasonic Corporation, the Japan-based electronics company, plans to set up a new plant at Jhajjar, Haryana, to manufacture refrigerators for the Indian market, and a Research and Development (R&D) center for appliances consisting of two technical divisions to strengthen its product development in the country.
- BSH Home Appliances Group, the leading home appliances manufacturer in Europe, inaugurated its first technology centre in India at Adugodi, Bengaluru, which will enable the company to further develop localised technologies for the Indian market.
- China based LCD and touchscreen panel manufacturer, Holitech Technology, has announced plans to investing up to US\$ 1 billion in India by the end of 2017.
- Ashok Leyland Ltd has launched its circuit series electric bus, the first ever electric bus designed and engineered entirely in India specifically for Indian road conditions, with a capacity to travel over 150 km on a single charge.
- Huawei, the China-based smartphone manufacturer, has entered into an agreement with solutions provider Flextronics Technologies (India) Private Limited, to manufacture its smartphones in India. Flextronics would start by making 3 million smart phones at its facility in Chennai and is expected to generate additional 1,500 jobs.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility

in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.

- Tata Power has partnered with US-based Javelin Joint Venture, which is a partnership between Raytheon Company and Lockheed Martin, for its Strategic Engineering Division (SED), in order to create a strategy to co-develop and produce the Javelin missile system and integrate platform mounts to meet Indian requirements.
- LeEco, a Chinese technology company, has entered into a partnership with Compal Technologies and invested US\$ 7 million to set up manufacturing facility at Greater Noida in order to start manufacturing Le2 smartphones in India.
- Zopo Mobile, a China-based smartphone manufacturer, plans to invest Rs 100 crore (US\$ 15 million) to set up a manufacturing plant in Noida by the end of 2016, which will have a monthly production capacity of 100,000 units.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 90 million) to add a new line at its Narsapura facility at Karnataka, and launch at least 10-15 products during FY 2016-17 in the country.
- Force Motors, a utility and commercial vehicles manufacturer, inaugurated its Rs 100 crore (US\$ 15 million) manufacturing facility in Pune, which will supply engines and axles to the Germany-based automobile manufacturer Mercedes-Benz.
- Boeing Company, an American plane maker, and Tata Advanced Systems Ltd (TASL), a fully owned subsidiary of Tata Sons, have entered into a joint venture to set up a new facility in Hyderabad to manufacture Boeing AH-64 Apache helicopter fuselages.
- Panasonic Corporation plans to set up a new manufacturing plant for refrigerators in India with an investment of Rs 250 crore (US\$ 37.5 million), and also invest around Rs 20 crore (US\$ 3 million) on an assembly unit for lithium ion batteries at its existing facility in Jhajjar in the next 8-10 months.
- Vital Paper Products, one of the major supply chain players in the paper and paper products industry, plans to set up a packaging product unit in the Special Economic Zone (SEZ) of Sri City, Andhra Pradesh, at an investment of Rs 60 crore (US\$ 9 million), which will be operational from April 2017.
- Isuzu Motors, the Japan-based utility vehicle manufacturer, has inaugurated its greenfield manufacturing unit in Sri City, Andhra Pradesh, which was set up for Rs 3,000 crore (US\$ 450 million), with an annual production capacity of 50,000 units and is estimated to generate around 2,000-3,000 jobs.
- Airbus has procured more than US\$ 500 million worth of supplies from India in 2015, registering a growth of 15 per cent annually and has targeted a cumulative procurement of more than US\$ 2 billion over a period of five years up to 2020.
- Havells India Limited, one of the top Indian consumer electrical equipment producer, plans to set up a new manufacturing unit near Bengaluru by making an investment of Rs 1,059 crore (US\$ 158.85 million), which would be its twelfth plant in India and its first outside north India.
- Global beverage company Pepsi plans to invest Rs 500 crore (US\$ 75 million) to set up another unit in Maharashtra to make mango, pomegranate and orange-based citrus juices, while biotechnology giant Monsanto plans to set up a seed plant in Buldhana district of Maharashtra.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 112.5 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India and will employ around 600 people at both units.

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide

impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.

- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).
- The Government of India has removed the 12.5 per cent excise duty and 4 per cent special additional duty (SAD) on the manufacturing of point-of-sale (PoS) machines till March 31, 2017, which is expected to give a boost to the cashless economy as more PoS machines will be deployed in the future.
- The National Institution for Transforming India (NITI Aayog), after its recent push for Rs 6,000 crore (US\$ 900 million) textile sector package, aims to persuade the Government for similar support in the manufacturing sectors with large-scale employment generation opportunities, such as electrical and electronics engineering, footwear and light manufacturing segments, which also have export potential.
- The Ministry of Labour and Employment plans to relax compliance measures for MSMEs by exempting them from inspections related to key labour laws in order to encourage entrepreneurs to help promote manufacturing in India.
- The Government of India plans to give a big boost to local manufacturing by introducing the new 'Make in India green channel', which will reduce the time taken for cargo clearance at ports from about a week to a few hours without any upfront payment of duties.
- Gujarat government is planning to set up an electronics products manufacturing hub in the state, through its newly announced Electronics Policy 2016, which will generate about 500,000 jobs in the electronics sector in the next five years.
- The Ministry of Heavy industries and Public Enterprises, in partnership with industry associations, has announced creation of a start-up centre and a technology fund for the capital goods sector to provide technical, business and financial resources and services to start-ups in the field of manufacturing and services.
- NITI Aayog plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr Modi has also utilised the opportunity to brief New Delhi's envoys about the Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.
- The Government of Uttar Pradesh has secured investment deals valued at Rs 5,000 crore (US\$ 741.2 million) for setting up mobile manufacturing units in the state.
- Government of India has planned to invest US\$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US\$ 735), Kishor - covering loans between Rs 50,000 (US\$ 750) to Rs 0.5 million (US\$ 7,500), and Tarun - covering loans between Rs 0.5 million (US\$ 7,500) and Rs 1 million (US\$ 15,000).

Road Ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.75 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and

automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

*According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Manufacturing Sector in India, India Brand Equity Foundation www.ibef.org)

INTRODUCTION TO INDIAN PAPER INDUSTRY

The paper industry in India could be classified into three categories according to the raw material consumed.

1. Wood based 2. Waste paper based 3. Agro based

In India, softwood is the main raw material used for papermaking, especially high quality printing papers. With the increase in population and the expansion of education, demand for paper has steadily increased. Due to very narrow forest resources, wood pulp is in short supply now days. As softwoods thrive in temperate climates, India is scarce in such forests. Thus, in such circumstances bamboo became the main raw materials for papermaking in the country, as it grows very quickly even after cutting.

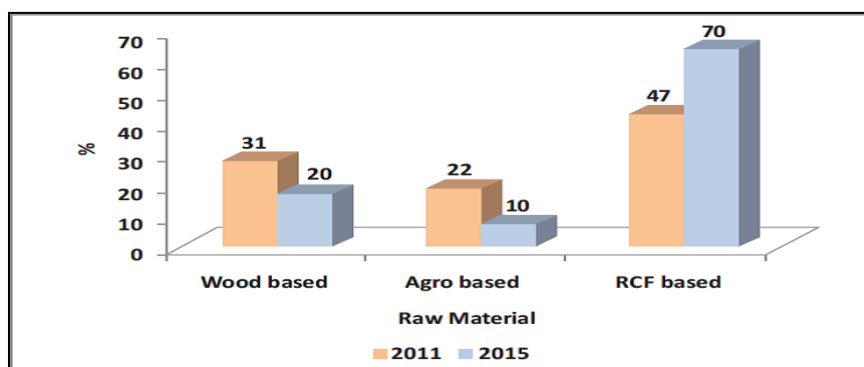
The paper industry in India is mainly based on plantation and it is essential that more land should be taken under eucalyptus plantations and other trees for papermaking. The paper industry also requires a lot of soft water and paper used for newspapers is called newsprint. In recent year, the capacity of the Indian paper industry has risen to 75,000 tonne per year. West Bengal and Maharashtra are the major states of the industry. The total production of newsprint has already reached more than 400,000 tons. A large number of capacity expansion and expansion programs with a disbursement of Rs.10,000 crore have been announced covering the various sectors such as paper, cardboard, newsprint, etc.

The Indian paper industry is a vast industry comprising more than 160 paper-producing divisions throughout India. These functional units manufacture handmade paper worth crores of rupees and provide employment to approximately 10,000 people. Indian paper industry has created sustainable livelihoods in rural areas and has helped generate employment for local people, especially for women to earn their living. The Indian Paper Industry has emerged as a diversified and specialized industry that produces numerous types of papers that comes in various uses, such as watermark, filter paper, drawing sheets, etc. Other products like paper bags, paper journals, Photo paper photo frames, greeting cards, handmade paper boxes, paper albums, etc., are manufactured and exported.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

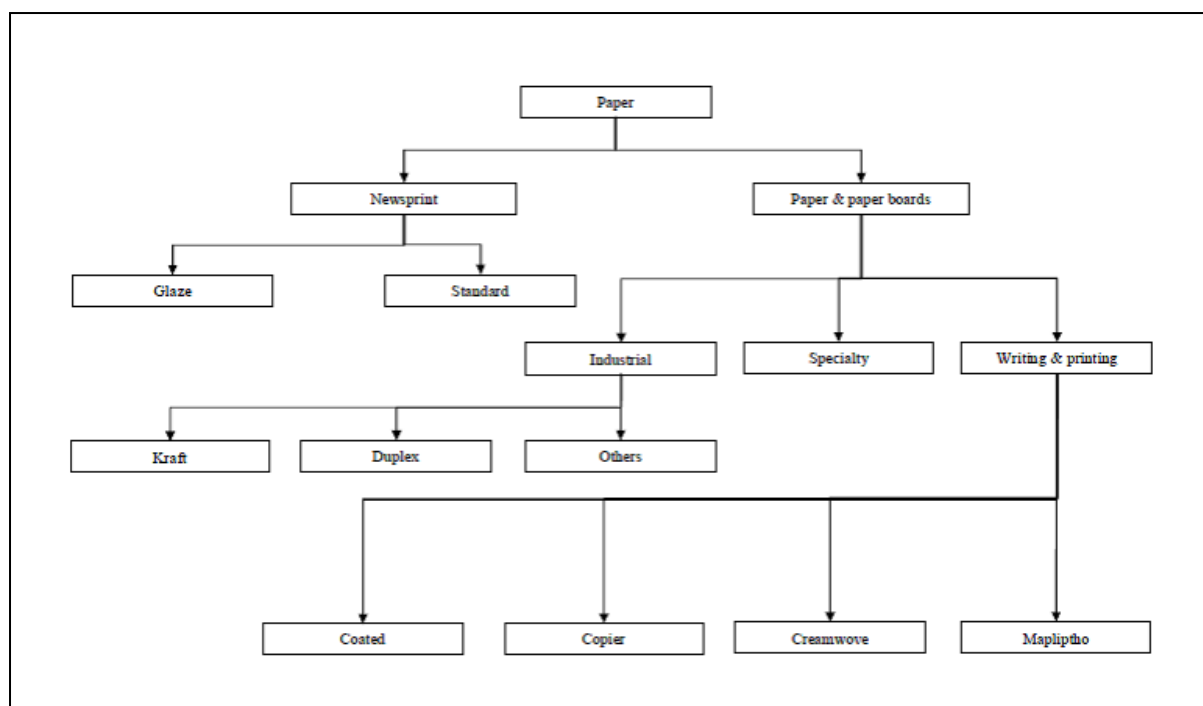
RAW MATERIAL SCENARIO FOR PAPER INDUSTRY

The raw material consumption pattern has drastically changed in the recent years with the pulp & paper industry witnessing a rise in the use of waste paper. This shift has been mainly brought about for purpose of environmental compliance. Presently, the consumption of wood, agro and waste paper is 20 %, 10% and 70 % respectively. Till about a few years ago, the consumption of wood, agro and waste paper was 31%, 22% and 47% respectively. Figure below illustrates the changing raw material consumption pattern of the Indian Paper Industry.



Source: CPPRI Annual Report 2015-16 (Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

STRUCTURE OF INDIAN PAPER INDUSTRY



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PAST TRENDS IN PAPER INDUSTRY:

The Indian paper industry with approximately 13 Mn tonnes of capacity accounts for about 3% of global paper production. According to Indian Paper Mills Association, the domestic consumption of paper in India during 2014-15 was 13.9 Mn tones, YoY growth of 6%. The per capita consumption of paper in India stands at ~11 kg, which is relatively lower compared to other developed and developing countries. With increasing focus by government on education and general uptick in macro economy, CARE Rating expects Indian paper industry to witness a CAGR of 7% over the next five years to about 20 Mn tones. The growth will be largely driven by printing & writing and packaging & paper board segment. The Indian paper industry can be broadly classified into three segments:

Printing & writing (P&W): Printing and writing segment caters to office stationery, textbooks, copier papers, notebooks etc. This segment forms ~31% of domestic paper industry. Governments thrust on education through steps like Right to Education, Sarva Shiksha Abhiyan, rise in service sector are key factors contributing to the growth of this segment.

Packaging paper & board: Packaging paper & board segment caters to tertiary and flexible packaging purposes in industries such as FMCG, food, pharma, textiles etc. This segment forms ~47% of the domestic paper industry. This is currently fastest growing segment owing to factors such as rising urbanization, increasing penetration of organized retail, higher growth in FMCG, pharmaceutical.

Newsprint: Newsprint serves the newspaper & magazines industry. This segment forms ~18% of Indian paper industry. This segment is under stress due to lower growth rates and import threat.

(Source: CARE Ratings- Credit Perspective- Paper Board, July 2016)

Paper & Paperboard Segment

Indigenous paper and paper board segment produces all the main varieties of paper that are in demand in the market viz. writing and printing (38%) packaging grade paper (53%), newsprint (8%) and specialty paper (<1 %). However, certain specialty paper such as coated paper, security papers and cheque paper, etc. are being imported in the country.

The production of paper and paper board in the year 2015-16 stood at around 17 million tonnes (estimated figure) as compared to 16.63 million tonnes in the previous year (2014-15). During the year 2015-16, 1.48 million tons of paper and paper board was imported whereas in the previous year (2014-15) this figure stood at 1.36 million tons. On the other hand about 0.64 million tons of paper and paper board was exported in the year 2015-16, up from a figure of 0.60 million tons in the year 2014-15.

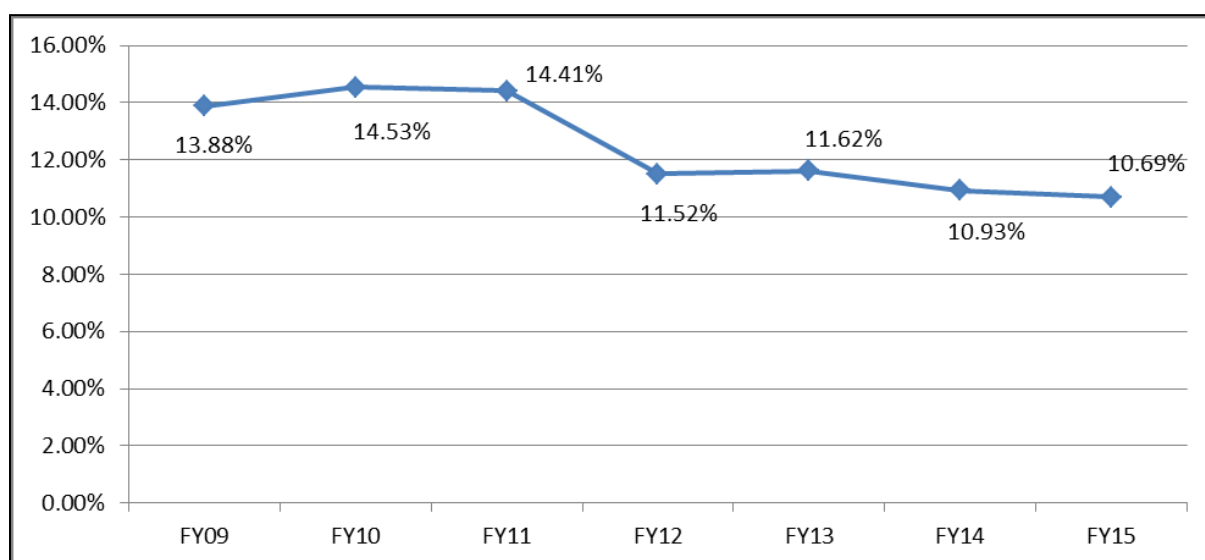
Production Trends for Different Grades of Paper

The Indian Paper Industry produces writing and printing, newsprint as well as packaging grade of paper. Writing and printing paper, packaging, newsprint and speciality paper contribute to 38%, 53 %, 8 % and <1 % respectively. The domestic production trend follows the global trends in writing & printing paper, packaging grades & newsprint accounting for 26%, 51% & 7% respectively. However, global production of speciality grades like tissue paper is higher at around 8% of total global production.

(Source: CARE Ratings- Credit Perspective- Paper Board, July 2016)

Operating profit margin improving for paper players from H2 FY16.

The major cost heads for paper industry players are raw material (constituting ~50% of net sales) and power and fuel cost (constituting ~ 16% of net sales). The operating margins of the paper companies were in the range of 14 % during FY09 to FY11 due to lower costs and better price realizations backed by good demand growth. However, during FY12 to FY14, the operating margin trend showed a declining trend with increase in raw material prices and power and fuel cost largely during FY13. Also, with capacity expansion during FY09 to FY11, players could not increase the prices and faced import threat. Due to this the operating margin declined to ~11% during FY12 to FY14. The fall in margin was arrested in FY15 and H2FY16 witnessed improvement in margins due to declining RM costs and power & fuel cost.



(Source: CARE Ratings- Credit Perspective- Paper Board, July 2016)

Consumption & Production:

Indian Paper Industry in 2015 – 16:

Though digitization has taken the Indian Paper industry for a ride, India's demand for paper is expected to rise 53 per cent as the educational demand for paper is constantly on the rise. Although India's per capita consumption of paper is quite low compared to global countries, the demand is set to rise from the current 13 million tonne (MT) to an estimated 20 MT by 2020. As per industry source, India's per capita paper consumption at nine kg, against 22 kg in Indonesia, 25 kg in Malaysia and 42 kg in China. The global average stands at 58 kg. India's paper demand is set to rise 53% by 2020.

During 2011-15, consumption grew by 6.3%, higher than the global average. The index of industrial production (IIP) recorded a decline of 0.1% in FY14. Paper and paper products industry saw growth of only 0.1% y/y. However, the industry saw a revival in FY15 with a growth of 3% y/y. In 8MFY16, it recorded a growth of 3.2% y/y.

In the last five years, the Indian paper sector has invested about Rs.20,000 crore on capacity enhancement, technology upgrade and acquisitions. The raw material prices for the paper industry soared in FY15-16. This

together with slug of cheap imports from China and other Southeast Asian nations negatively impacted the profit margins of most paper producers. In 2015, global wood pulp prices have risen beyond the previous peak since 2011, which was the highest point in more than 30 years. Unfortunately for manufacturers who rely on the material as input, especially paper packaging manufacturers, higher prices for wood pulp have increased their production costs. According to IBIS World, the price of wood pulp is forecast to increase further at an annualized rate of 5.1% in the three years to 2019. The increase in the price of wood pulp will also be reflected in the domestic price of paper, will grow at an annualized rate of 3.2% over the next three years.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

IPMA 12th 5 year plan – Prospects of Paper Industry – Consumption & Production:

The forecast for consumption of paper has been made based on the following assumptions:

(a) For writing paper, elasticity of consumption has been taken at 0.9. Taking the GDP growth at 9% during 2012-17 and beyond, the growth of demand for writing paper has been assumed at 8.1% per annum. With universalisation of education and increase in the period spend on education, elasticity of consumption of writing paper could be higher than one. However, despite a lower per capita consumption relative to other countries, increasing access to internet and substitution of writing/printing material by the electronic mode, elasticity of consumption has been taken at 0.9.

(b) For packaging paper, the tracking variable is the likely manufacturing growth. Since the share of the manufacturing sector is proposed to be increased from existing 16% to 25% in next 10 years, manufacturing growth is expected to remain higher than the GDP growth. The approach paper to the 12th Five Year Plan has taken manufacturing growth of 9.8% at the base case scenario; IPMA has assumed a growth of 10% for the growth of the packaging paper.

(c) For the newsprint, the average annual growth in first two years is taken at 7%. In subsequent years, the growth has been taken assuming an elasticity of consumption at 0.9, or a growth of 8.1% per annum.

Projected Consumption of Paper (Million Tons)					
	Writing paper	Packaging Paper	News Print	Total consumption	Baseline Scenario
2010-11	4.0	5.4	1.7	11.2	11.2
2011-12	4.3	5.9	1.8	12.0	12.1
2012-13	4.6	6.4	1.9	13.0	13.0
2013-14	5.0	7.1	2.1	14.2	13.8
2014-15	5.4	7.8	2.2	15.4	14.7
2015-16	5.8	8.6	2.4	16.8	15.6
2016-17	6.3	9.4	2.6	18.4	16.5
2021-22	9.3	15.2	3.9	28.4	21.8
2024-25	11.8	20.2	4.9	36.9	23.5
2026-27	13.8	24.5	5.7	43.9	25.3

Source: IPMA 12th 5 year plan

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KRAFT PAPER INDUSTRY

Kraft Paper is easily being distinguished from the Writing, Printing or News Print Paper by its appearance – the Brown Colour. The Kraft Paper finds its application in numerous Products and ways. It serves as the most suitable Raw Material for manufacturing Corrugated Boxes. Such Boxes are made of Corrugated Sheets of Kraft Papers pasted with each other along with the insertion of Plain Sheet of Kraft Paper again. The number of Corrugated Sheets per side of the Box denotes the nomenclature of the Box e.g. Single Ply (for Single Corrugated Sheet pasted with Single Insertion of Plain Sheet), Double Ply (with obvious combination), and Triple Ply and so on so forth. Needless to mention, that the weight of a Corrugated Box is totally attributed to the Kraft Paper used for its manufacturing. Apart from Corrugated Box Manufacturing, Kraft Paper is being used as packing and fold insertion material in Textile Industry, Ordinary Boxes (Paper, Card Board, Mill Board Boxes etc.) manufacturing, Book/Note Book/Register Binding, Envelope Manufacturing etc.

Paper is classified by its Weight and Strength. Its nomenclature is based on either the Weight per Square Meter i.e. Grams per Square Meter (Gsm) or the Strength i.e. the Bursting Factor B/F. The Kraft Paper is available

from 70 Gsm to 270 Gsm or 12 B/F to 35 B/F. Obviously, the higher Gsm or B/F would denote better qualities. The higher Bursting Factor of Kraft Paper as compared to other Papers makes it most suitable for corrugation and similar other mechanical operations.

The different grades of Waste Paper such as Old Corrugated Cuttings (O.C.C.) Cartons Cuttings, Kraft Paper Cuttings, New Corrugated Cuttings (N.C.C.) are being generally used to make Kraft Paper ranging from 12 B/F to 35 B/F. “SPM” has identified and selected such a Process and Equipment which has been designed to adopt all kinds of Raw Material Mix. The selected Design & Process would be compatible to all kinds & grades of Waste Papers available for pulping.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

TYPES OF KRAFT PAPER:

Virgin Natural Kraft Paper:

Virgin natural kraft paper is the heavy lifter of the paper world. Its clean and durable fiber content and its low cost make it an ideal option for heavy-duty applications that require a high level of tear resistance. Plus, it's perfect for printing as well, so it's a natural for branded packaging and protective layering, wrapping, pallet interleaving, carrier sheets, and dunnage.

Natural Recycled Kraft Paper:

Although not as strong and tear resistant as virgin natural kraft, natural recycled kraft paper is a more environmentally friendly option, and still carries enough strength to do an excellent job with dunnage and void fill applications, as liners for trays and boxes, inter leavers, and bottom wrap for newspapers. Both virgin and recycled kraft paper come standard in weights from 30# to 70#.

Black Kraft Paper:

The most common use of black kraft paper is as a dark, durable backing for pictures frames, but that's not its only use. Black kraft paper is also perfect for fun and interesting craft projects, or as an aid to unique decorating where light barriers and dark borders are needed.

Colored Kraft Paper:

Colored kraft paper is available in just about every colour of the rainbow. Its vibrant hues make it perfect for all manner of craft projects, as well as fun backings for bulletin boards, standard school supplies, scrapbooking, and similar applications. If the target market includes, schools, day-cares, or busy parents, colored kraft paper should be on the list.

White or Bleached Kraft Paper:

Similar to virgin natural kraft in strength and durability, white or bleached kraft paper makes an especially powerful impact when a crisp, clean appearance is desired. For example, many restaurants like to use white kraft paper as an attractive and economical alternative to linen tablecloths. It also serves well for wrapping and can stand up well to the standard wear and tear a package may receive.

Printed Kraft Paper:

Many different industries take advantage of the versatility and value of custom printed kraft paper for creating branded wrapping, packaging, and in-store displays. For example, a deli may order a supply of kraft paper sheets in the perfect size for wrapping sandwiches, and have the deli logo and contact information printed on one side as a means of affordable, continual advertising. Many fashion manufacturers ship their garments out with printed kraft paper sleeves or sheets between individual articles, or wrapping the inside of a shoebox, again with branded logos and other information prominently displayed.

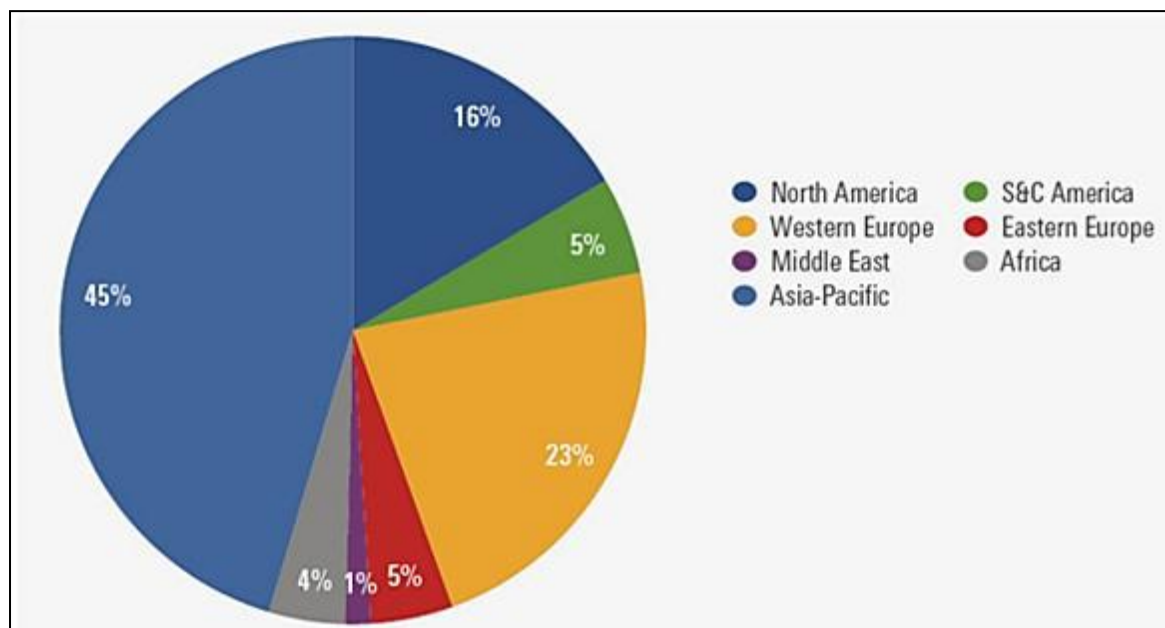
In all cases, the quality, versatility, and value of the various types of kraft paper can help the business by improving the look and feel of the products, enhancing branding efforts, and improving bottom line of the business.

Market transformation:

This expansion is taking part against a back drop of changes within the sack and kraft industry, placing a premium on technical innovation. The most important influence on consumption of these materials remains in the hands of the end user. Consumption in traditional industrial applications is being eroded as sack formats are displaced by plastic and metal bulk and semi-bulk handling containers. This is being countered by increasing enthusiasm from consumer segments.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

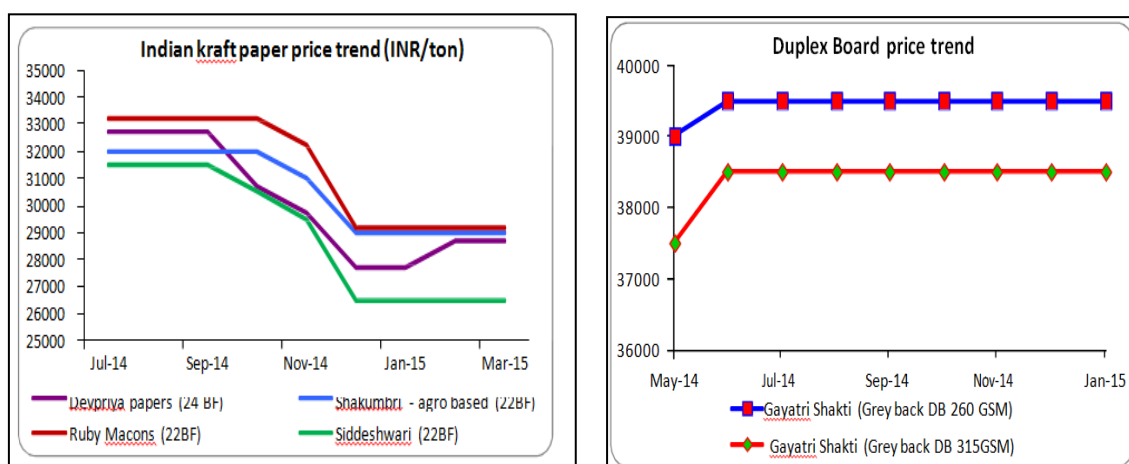
REGION WISE ACTUAL GLOBAL CONSUMPTION OF KRAFT PAPER 2015:



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PAST TRENDS OF KRAFT PAPER:

Both Kraft paper and duplex board manufacturers were expecting stimulus from the market to push prices higher, after prices slumping to lowest level since 2012. Price trends during FY 14-15 are provided in the exhibit given below:



Indian paper and paperboard remained unchanged during the first quarter of 2015, as the lack of growth in new orders continued to keep prices under pressure. At the raw material front, waste paper prices also remained unchanged in the past month affected by weak demand prospects. Meanwhile, collection activity picked up in the first quarter of 2015 as the extreme winter conditions eased making the raw material availability higher in the market.

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ADVANTAGES OF KRAFT PAPER:

Paper Sacks

The modern paper sacks meet the high performance standards of the cement industry, specifically focusing on the most important decision-making factors identified by the study, namely: filling speed, pack cost, strength, moisture protection, dust-free packaging and damage rates.

High-speed filling

Thanks to the natural characteristics of sack kraft paper as filter material, paper sacks can be filled at very high speeds. The porosity of sack kraft paper enables rapid and problem-free venting during the filling process without requiring complex and cost-intensive air extraction systems.

Low packing costs

The high filling speed is a considerable advantage in terms of efficiency. It results in smoother and quicker processes as well as lower packing costs, as more cement sacks are produced per time unit. Due to a combination of lower capital and lower operational costs, as well as higher production efficiencies, paper sacks are the most cost-effective solution when compared to alternative packaging solutions.

Strength

Sack kraft paper is made from 100% virgin fibres. It gives paper sacks a unique strength, allowing optimisation of the packaging weight while still maintaining stability under a broad variety of conditions.

Dust-free

As a result of the development of high-porosity sack kraft paper, fillers have an alternative to the previously used perforated paper sacks. These sacks have been a major source of dust in the supply chain. Together with the enhancement of the valve technology, the paper sack industry is able to provide dust-tight sack packaging.

Moisture protection

In terms of moisture protection, paper sacks offer reliable solutions suiting the industry's needs. In many supply chains a wrapped pallet with standard sacks constructed with two-ply-layer sack kraft paper is an adequate and cost effective solution. In other supply chains where sacks will be exposed to humid conditions, a two-ply-layer paper construction with an intermediate PE-film will prevent moisture ingress.

Low damage rates

Other important factors that influence the fillers decision of packaging system are pack damage and product wastage. The level of damage to paper sacks does not exceed one to two percent.

Corrugated Box – Probable markets for corrugated box industry:

- Increasing demand and high volumes will trigger consolidation and setting up of large automatic plants.
- Inline Automatic Board and Box making plants will ease out the present semi-automatic production processes.
- Deployment of Folder Gluers, Rotary Die-cutters will be on the increase.
- Use of corrugated for display/promotional packs, POPs and dispensers.
- Advances in multicolour, flexo printing will facilitate in-house flexo printing and do away with screen printing, contract printing on offset presses.
- The emergence of e-commerce, reverse bidding, concept of First Pak will give large scale units the advantage of competitiveness and the concept of locating corrugated box units nearer to user locations will become obsolete.
- Large Corporates and Bulk users of corrugated boxes looking for single/multiple alternative vendors – capable of meeting stringent specifications, offering alternative designs, test-in-time deliveries at optimum cost.
- Growing interest in machines made in China, Taiwan and other Asian countries.
- Many machinery manufacturers entering into alliances with Chinese, Taiwanese manufacturers for manufacturing/marketing.

Pharmaceutical Packaging & Situation in India

- Pharmaceutical packaging occupies a considerable portion of the overall drugs and pharmaceutical market in India and is growing steadily with the same pace of the industry. Pharmaceutical packaging consists of various types of glass, pet bottles, strip and blister packs, injectibles, ampoules, bulk packs, etc.
- The Indian pharmaceutical packaging industry is witnessing a spurt in growth. Today, the packaging industry in India is considered a sunrise industry and its linkages are extensive and highly employment creating. On one side, it involves manufacture (and sometimes import) of a wide range of packing material - paper, paperboard, cardboard, a range of polymer products including rigid and flexible packaging material, aluminium foil, tin and good old wood and steel. Other backward linkages of packaging including printing, labelling and binding/adhesive tapes etc. Of course, machinery for making/processing these products and for packing/package is another segment closely linked to this industry.

Growth will follow upward trends in global medication consumption, which will expand at a strong pace as aging demographic patterns lead to an increasing number of diseases and disorders. Pharmaceuticals will assume an expanding role in worldwide health care delivery based on new product introductions and economical advantages over other forms of patient treatment.

Besides upward trends in medication consumption, the adoption of stricter regulations and standards governing the production, storage, distribution and labelling of pharmaceuticals will boost global growth opportunities for packaging products and accessories. Historically, pharmaceutical packaging requirements focused exclusively on preserving the quality of enclosed medication. These requirements are now being extended to cover such criteria as the prevention of product tampering and counterfeiting, the assurance of product dispensing accuracy and the promotion of patient compliance with product dosage schedules.

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DEMAND DRIVERS

Growth in consumption of paper and paper products are driven by sustainable factors. Several economic factors and lifestyle changes are driving the demand of paper in India. Few of the demand drivers are listed below:

Increased demand for packaging

The Indian packaging industry is expected to grow to US\$73 billion by 2020 from \$ 32 billion in FY 2015, according to a report prepared by FICCI. Additionally, the Indian FMCG sector is growing at a rapid rate due to strong demand from a large and growing middle class. As a result, the packaging industry, growing by more than 15 percent annually, will likely increase demand for corrugated boxes, leading to increased demand for kraft papers, which is the key raw material.

Lifestyle changes

Economic development and globalization have led to an increase in per capita income and increased spending. At the same time, increased commercial activity has spurred demand for packaged goods. Lifestyle changes have also pushed up the demand for packaged foods, gift items etc. where kraft papers are also used.

Growing affluence of the population

Growth in population has led to increased consumption growth in key urban towns and rural markets. The higher consumption per capita leads to a higher demand for consumer durables where kraft papers are required.

Consumer Priorities

As kraft paper packs find themselves increasingly moving from the warehouse onto supermarket shelves, there is a demand for grades that can carry the high quality graphics that allow them to compete with other packaging formats for the shopper's attention. This is placing pressure on papermakers to develop innovative solutions to provide suitable and appropriate printing surfaces. A particular priority is to evolve solutions that can interface with digital – inkjet and toner – print technologies that enable short and customised editions of packaging creating value-adding opportunities for converters. Another key development addressing this shift has been the introduction of ultrasonic sealing machinery. This technology can simultaneously offer a tighter closure and ejects loose material from the region of the valve seal, which enables faster and smoother filling processes that can translate into marked reductions in costs for converters.

Sustainability

One of the principal reasons kraft papers are increasingly demanded in consumer applications is the enthusiasm

of both brands and customers for sustainable, recyclable packaging solutions. This impetus is also leading paper producers to bolster the environmental credentials of their sack and kraft grades. Adoption of sustainability practices has been fairly widespread throughout much of the industry and many suppliers now sport a plethora of environmental certifications – such as those approved by the Forest Stewardship Council (FSC). As environmental pressures become ever greater, it is possible that kraft and sack paper manufacturers may start to develop entire product ranges marketed on a sustainability platform. In addition to sourcing from sustainably managed forests, some kraft paper producers have also made attempts to increase the amount of recycled material used in the manufacture of their products. Across 2016-2021, sustainability certification is expected to become ever more widespread, with penetration of eco-labels increasing in parts of the world where their presence has been limited to date.

Down gauging

Pressure to reduce costs is fuelling ongoing innovation – such as the technological advances that enable much lighter weights of paper to achieve the same results. Grammages have declined significantly in the past 20 years, in some cases from 55gsm to as low as 20gsm. This shift to lighter weights increases the importance of sheet uniformity, bulk and thickness, absorbency, opacity, dimensional stability, surface finish, and printability; as well as reducing volume off take for raw material suppliers. This trend naturally cuts the weight of paper demanded, but demographic shifts in consumer markets is again helping to mitigate this. There is a wider trend in packaging towards smaller pack sizes as typical family units get smaller, so as to boost convenience and reduce food wastage for the end user. This is having an impact positive for the industry as one 500g pack consists of less material than two 250g packs, and there is a corresponding demand for more consumables, such as inks and adhesives that build the bag.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

CHALLENGES FACED BY THE KRAFT PAPER INDUSTRY

Despite the country's positive growth potential, however, investment in India is fraught with considerable challenges. Inadequate investment in infrastructure, limitations on raw materials, lack of a coherent and updated manufacturing policy, antiquated labor policies, and lack of a broad power supply has created a situation where only about 60 percent of paper-making capacity is being used. Here are some of the key issues:

Rising Raw Materials Costs

Availability of raw materials is one of the biggest barriers to growth of the industry. India depends on wood, recycled paper, and residues from the agriculture industry for its pulp needs, and the supply of each is limited and problematic.

a) Wood:

Availability of wood is very low compared to the United States and Europe. The forest land in India is owned by the government and is not available for use as plantations by the pulp and paper industries.

Some in the paper industry have entered into particular partnerships with farmers to encourage planting trees. The paper companies provide the necessary financial backing and saplings for the farmer to plant trees and also guarantee a minimum price per tree once harvested. So far, this initiative, although very highly recognized and cheered on by many environmental and social groups, does very little to bridge the gap between supply and demand.

The Indian paper industry has proposed multiple scenarios in which degraded forest land around pulp mills is made available for plantations of pulpable species of trees. From all accounts, the idea appears to be a win-win scenario for all parties, increasing the amount of forests, generating rural employment, and providing much-needed relief to the industry.

However, this proposal in various forms has been debated in government circles for over 15 years, with no resolution in sight in the immediate future.

b) Agro-based sources:

Agricultural residues such as bagasse, rice and wheat straws, and cotton stalks provide approximately 21 percent of the industry's fiber source, according to the Indian Paper Manufacturers Association (IPMA). Growth in agro residues has been encouraged by various fiscal policies of the government since the 1970s, but their use has many challenges, primarily due to their negative effect on paper quality and the investments in equipment required to combat pollution.

c) **Wastepaper:**

An effective system and infrastructure for sorting, collecting, and grading of recycled paper does not exist in India. Most of the recycled paper is imported from the United States and other western countries. Increase in demand from China and reduction in consumption of paper in developed countries are pushing the prices of paper upward. Relaxation of import duty on wastepaper could be well received by the industry. Rising cost of imported waste paper has started to push the mills to source more quantities from the domestic market. The consequent increase in domestic demand has made local wastepaper more expensive forcing Kraft mills to either shut or reduce production by 30-35 per cent.

Infrastructure:

India's infrastructure has seen improvement, but still has a long way to go and pales in comparison to many developed countries. Improvements in roads, railways, and ports can benefit all industries, including pulp and paper.

Labor:

India has a large available pool of unskilled and skilled labor and the advantage of very low labor costs. The out-dated labor laws, however, (some predating India's independence) may not be conducive to a sound operating environment. The Trade Union Act of 1926 provides for the recognition of the unions. The act allows any seven workers to register as a trade union, but has no provision for union recognition (e.g., through a secret ballot procedure). This has led to a multiplicity of unions, with outsiders not concerned about the company or its employees playing a prominent role. Regulation of labor management relations are in the purview of state governments, and it varies among states. Resolutions of disputes are known to take an inordinate amount of time, sometimes lasting into years.

Absence of Scale in Production:

The absence of scale in production is another challenge the industry has to deal with. The Indian paper industry is highly fragmented with capacities ranging from less than 10 tonne to 600 tonne a day. Currently there are about 450 paper mills operating in the country. In comparison, paper mills in Indonesia, Brazil, Scandinavia and the US have a capacity range of 300 to 3,000 tonne a day.

Environmental Impact:

Paper pollution refers to environmental pollution caused by the production, use and recycling of paper. Paper pollution causes severe adverse effects to the quality of air, water and land. Discarded paper is a major component of many landfill sites. Paper recycling is also a source of pollution due to the sludge produced during deinking.

The amount of paper and paper products used is so enormous that the environmental impact of the pollution caused by it is also very significant. Therefore, great efforts are required to ensure that the environment is protected during the production, use and recycling/disposal of this enormous volume of material.

With the rise in environmental awareness due to the lobbying by environmental organizations and with increased government regulation there is now a trend towards sustainability in the pulp and paper industry. Changes in environmental regulations and emission norms, etc. may have an adverse impact on the financial performance of any organization and can lead to increased capital cost to meet the changed regulations. Due to the competitive nature of the market, the cost increases as a result of these changes may not be easily passed on to the customers, thus adversely impacting the profitability. Stricter laws and regulations, or stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect the business, financial condition or results of operation.

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

OUTLOOK FOR INDIAN PAPER INDUSTRY

With increased economic activity the demand for paper especially kraft paper, industrial paper, duplex boards, and corrugating material is too poised for healthy growth. Industrial paper is the highest value segment in the paper industry and accounts for 41% of the total market size. Kraft paper is usually the brown paper that is commonly used for manufacturing brown bags, cartons, etc. It is largely used to manufacture corrugated boxes, bags, sacks, etc. However, corrugated boxes account for 85-90 per cent of the total demand for kraft paper. Demand for kraft paper depends on the growth in consumer durables, the manufacturing industry, horticulture, FMCG etc. Strong growth in end-user sectors such as pharmaceuticals, horticulture, ready to eat foods, marine

products, textiles, consumer durables and other industrial products is expected to result in a buoyant growth for kraft paper. Duplex boards which are mainly used as primary packaging for various products such as pharmaceuticals, cigarettes, matchboxes, agarbattis, toothpastes, growing agro-based sector, including horticultural products, fresh and canned fruits, etc. and other similar consumer items is witnessing robust demand. This, together with the Government policy to replace wooden crates by containerboard boxes particularly in fresh fruit packaging, will create new demand for corrugated boxes.

The requirement for Kraft paper in our day to day life is very important. With sustained growth in e-commerce activity and increases in consumer spending power in e-commerce in India, demand for packing material has increase multifold. Today corrugated boxes have become symbol of ecommerce boom in India. One of the home-grown e-commerce leaders company says that up to 60% of its products are shipped in corrugated boxes of about 40 difference sizes. According to industry estimates, it is currently shipping around 5 million orders monthly and growing fast establishes the immense future demand for corrugated boxes. This is applicable to all marketplaces in India operating in and out of the country. Morgan Stanley estimates the India's e-tail business to touch USD 159 Billion by 2020.

Steady growth in consumer markets will buoy the sack and kraft paper industry to produce growth of around 3% per annum for 2016-2021. This will push global market value to \$80 billion in 2021, up from \$66 billion in 2016. The Future of Sack and Kraft Paper to 2021, identifies how expansion is being driven by numerous factors — like the demand for higher quality graphics, which is pressuring papermakers to develop innovative solutions to provide suitable and appropriate printing surfaces. This includes the evolution of digital printing technology for the sack and kraft segment which is creating opportunities for converters and challenges for papermakers.

World demand for sack and kraft paper used in packaging is set for healthy annual growth of 3% across the next five years. In 2016 demand from this segment stood at over 23 million tonne of material and held a value worldwide of \$66 billion (US)/\$86 billion (CAN). Its analysis charts how the market will expand to reach almost 28 million tonne by 2021, valued at about \$80 billion (US) at 2016 prices.

Prospects of Kraft Paper Industry:

The demand of Kraft paper is estimated to increase to 6 million ton by 2025 from 3.5 million tonne in 2016 with a growth of 8% per annum. Investment would be required for setting up of additional 2.5 million ton capacity (@ Rs.25,000 per ton of annual capacity) would be Rs.6,300 Crore. Thus an investment of Rs.42,800 Crore would be required for setting up facilities for the manufacture of Newsprint, Duplex Board and Kraft Paper in India to meet the projected demand over the next 15 years. (Source: IPMA- 12th Five Year Plan)

(Research Report On Kraft Paper – CARE Advisory - A Division of CARE Advisory Research and Training Limited - www.careratings.com)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 16 of this RHP, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this RHP, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 17 and 194, respectively.

OVERVIEW

Incorporated in 2010, our Company, Astron Paper and Board Mill Limited is engaged in manufacturing of kraft paper. Within a short span of time, our Company has developed a name for itself in kraft paper industry and we have been able to establish a brand associated with qualitative and comprehensive range of kraft papers. We mainly cater to packaging industry and have been able to develop a loyal clientele network consisting of various packaging companies and MNCs. Currently we are operating in domestic markets with our products being supplied on pan India basis. We are also in the process of exploring export markets.

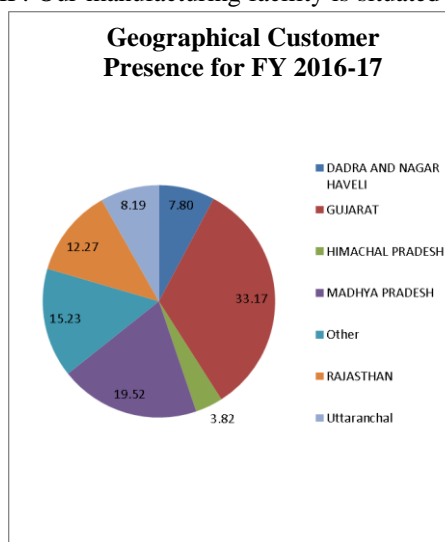
We believe that we are one of the major kraft paper manufacturers in Gujarat with our manufacturing facility having an installed capacity of 96,000 mt p.a. as on the date of this RHP. Our manufacturing facility is situated at Halvad, Gujarat and is well equipped with requisite plant and machineries and other facilities. We also have in house testing laboratory for quality control checks and testing of our products. We endeavour to maintain safety in our premises by adhering to key safety norms. Our manufacturing and dispatch process has been assessed and certified as meeting the requirements of ISO 9001: 2015, ISO 14001: 2015 by an international organisation viz. SGS United Kingdom Ltd.. With increasing environmental awareness, our Company has since its inception adopted the use of waste paper as raw material instead of traditional usage of wood. The process of manufacturing Kraft paper involves recycling of waste paper and with many organisations, now supporting the Go Green Campaign, it increases the demand of FSC certified Kraft paper as the same is eco friendly. We have been environmentally conscious and our products have been certified as meeting relevant FSC Standards since 2014 by SGS South Africa (Pty) Ltd.

Our product Kraft paper is used by packaging industry for manufacturing corrugated boxes and liners, corrugated sacks and composite containers. We offer varied products like High RCT, Kraft Liner, Liner to Corrugated Medium Paper, ranging mainly from 140 GSM to 350 GSM and 22-35 BF. We endeavor to serve our customers, each having different requirements of Ring Crust test (RCT), Gram square meter (GSM) and weight pressure. Our Company mainly imports raw material for ensuring better quality of output. We have also been accredited with Authorised Economic Operator- T1 Certificate (Importer and Exporter) which provides us with certain benefits in relation to our imports and helps in cost savings.

Our Company is promoted by Kirit G. Patel, Ramakant Patel, Karshanbhai Patel and Asian Granito (India) Limited.

Our Individual Promoters manage and control the major affairs of our business operations. With their dedication and commitment, our Company has shown an increasing trend in our business operations which is evidenced by the growth in our total income from Rs. 267.27 million in FY 2012-13 to Rs. 1,845.89 million in FY 2016-17. We believe that our market position has been achieved by adherence to the vision of our Promoters and senior management and their experience.

Our registered office is situated at Ahmedabad. We have a dedicated marketing team who continuously interacts



with customers to understand their requirements and analyse the market dynamics. We have also been actively participating and associated with the Federation of Corrugated Box Manufacturers of India and Indian Corrugated Case Manufacturers Association. We aim to establish our brand as a distinguished name in industry.

From FY 2013-14 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 1,061.98 million to Rs. 1,845.89 million, representing a CAGR of 14.82% ii) our EBITDA has shown growth from Rs. 113.32 million to Rs. 230.06 million, representing a CAGR of 17.95% iii) our profit after tax has shown growth from Rs. a loss of Rs. (30.21) million to a profit of Rs. 99.59 million and iv) our Return on networth has shown a growth from (12.78)% to 21.98%. Our restated total revenue, EBITDA and profit after tax for the six months ended September 2017 was ₹ 1,109.61 million, ₹ 146.20 million and ₹ 94.55 million respectively, with an EBITDA margin of 13.18% and PAT margin of 8.52%.

OUR COMPETITIVE STRENGTHS

Our experienced management and dedicated employee base

Our operations commenced under the guidance of our individual Promoters Kirit G. Patel, Ramakant Patel and Karshanbhai Patel, who have successfully managed various phases of expansion and growth of our business and operations. Our Chairman and Managing Director Kirit G. Patel has around two decades experience in paper packaging industry and has been instrumental in formulating growth strategy for our Company. Further our Promoter Ramakant Patel has more than two decades experience in packaging industry and has with his experience developed and maintained cordial relationships with customers. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Individual Promoters are supported by a dedicated management team with several years of industry experience in their respective domains of sales, marketing, strategy and finance. For further details regarding our Key Managerial Personnel, please refer to the chapter titled “Our Management” beginning on page 167 of this RHP.

Scalable Business Model

Over the years, our Company has been able to achieve capacity utilisation of over 75% at our manufacturing facility at Halvad, thus enabling us to add capacities on a regular basis to serve our existing customers as well as to add new customers. Our business model is order driven, and comprises of optimum utilization of our manufacturing facilities, maximum capacity utilization, developing linkages with raw material suppliers and achieving consequent economies of scale. From 42600 MTPA, we have doubled our capacity to 96000 MTPA. We believe that this business model has helped us to scale up our capacities as per the requirement generated by our Company in past. We believe that further scaling up of the capacities is necessitated due to the development of new markets, aggressive marketing of the product, meeting customer specific requirements and by maintaining the consistent quality of the product.

Quality certifications

Our Company believes in qualitative manufacturing and adheres to various qualitative standards. Our products undergo quality check at various levels of production to ensure that any quality defects or product errors are rectified on real time basis. Our manufacturing and dispatch process has been assessed and certified as meeting the requirements of ISO 9001: 2015, ISO 14001: 2015 by an international organisation viz. SGS United Kingdom Ltd.. We also have an in-house laboratory for conducting various tests for further improvements in paper technology. We have been environmentally conscious and our products have been certified as meeting relevant FSC Standards since 2014 by SGS South Africa (Pty) Ltd. Accordingly, this has helped in increasing demand for our products viz. FSC certified kraft papers by reputed organisations due to the increasing awareness of forest conservation and many organisations supporting go green campaigns.

Our qualitative approach has helped us obtained status of a recognised vendor with large corporate houses and MNCs. Such MNCs/ corporate houses require their corrugators to source the kraft paper for their corrugated boxes from their list of approved vendors only.

Repeat orders

We believe that meeting customer specific requirements and delivery of orders is key factor for growth. Our Company has made continuous efforts to ensure customer satisfaction by taking steps for meeting customer specific requirements, timely delivery of orders to our customers as well as maintaining consistency in quality and this has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers. The Proposed additional manufacturing facility is one of the steps taken by our management towards meeting the requirements of our existing customers.

Location Advantages

Our manufacturing unit is strategically located in terms of access to key raw materials. Our existing manufacturing facility is located in Halvad, Morbi which is approx. 200 Kms away from Mundra Port and facilitates ease of import. Further our Company is accredited with Authorised Economic Operator T1 certificate. The certificate entitles us to many benefits such as it accords better facilitation in imports and export of our consignments, thereby ensuring shorter cargo release time, facility of Direct Port Delivery (DPD) of our import Containers and/ or Direct Port Entry (DPE) of their Export Containers. Our manufacturing facility is also well connected with Road to cater to the demand of our domestic customers. We believe that our manufacturing facility will help us cater to the demand for our products in markets within and outside India.

BUSINESS STRATEGY

We envisage long term growth by supplying qualitative products and efficient services and building long term relations with customers. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing range of products and services with specific emphasis on the following factors as business and growth strategy:

Setting up of additional manufacturing facility which will increase our product range

Expansion of our manufacturing capacities is a continuous process to support our growth. We are setting up additional manufacturing facility to manufacture Kraft Paper with lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 B.F to 20 B.F. The proposed facility will ensure to meet the requirements of the customers who require lower GSM and lower B.F Kraft paper. This facility will complement our existing capacity as the Kraft paper used in inner layer of corrugated boxes is generally of lower GSM and lower B.F which was not manufactured by us till now. This will increase range of product for our existing customer.

Expand our domestic geographical reach through marketing network

To expand our business, we intend to aggressively penetrate in the domestic markets and expand our domestic market presence by expanding our sales and distribution network. To augment our efforts in increase in sales of our products, we intend to deploy additional field force consisting of sales and marketing representatives who shall meet our customers/ prospective customers to market our product. Further in line with the increasing sale of products through online retail, the potential for the packaging industry may increase and thereby the demand for Kraft paper for manufacturing corrugated boxes may also increase.

Continue to improve operating efficiencies through technology enhancements

We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels.

We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

Forward integration

We aim to enter into packaging industry and thereby expanding our business operations. We believe that we can have an edge over our competitors in corrugated boxes manufacturing industry with our kraft paper manufacturing facility, being our distinguished strength as Kraft paper is one of the key raw material for manufacturing of corrugated boxes.

SWOT ANALYSIS

Strengths:

- **Promoter's experience**

Our Chairman and Managing Director, Kirit G. Patel has around two decades experience in paper packaging industry and has been instrumental in formulating growth strategy for our Company. Further our Promoter Ramakant Patel has more than two decades experience in packaging industry and has with his experience developed and maintained cordial relationships with customers. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our

geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

- **Location**

Our manufacturing facility is situated at well-developed industrial area, with all the infrastructure facilities and both skilled and unskilled manpower are available at competitive cost.

Weakness:

- **Environmental Pollution**

Paper production causes adverse effects to the quality of air, water and land. Paper Recycling is also a source of pollution. It comes under pollution control regulations. However, our Company ensures that we follow environmental laws as stipulated by the State and Central Pollution control board.

- **Rising Raw Materials Costs**

Availability of raw materials is one of the biggest barriers to growth of the industry. India depends on wood, recycled paper, and residues from the agriculture industry for its pulp needs, and the supply of each is limited and problematic. We use imported waste paper as raw material in our manufacturing process which is qualitative and sorted

- **Higher capacity utilization in global industry**

The higher utilization of capacity in global industry is another challenge in this industry. The Indian paper industry is highly fragmented with capacities ranging from less than 10 tonne to 600 tonne a day. Currently there are about 450 paper mills operating in the country. In comparison, paper mills in Indonesia, Brazil, Scandinavia and the US have a capacity range of 300 to 3,000 tonne a day.

Opportunity:

- **Increase in Demand For Packaging**

Raw material for corrugated box is Kraft paper. Corrugated box packaging is expected to find major applications in the food and beverages industry. Thus, the growth of the industry, in turn, is expected to drive growth of the corrugated box market over the forecast period. The increase in consumer awareness pertaining to use of recycled products is anticipated to further boost the demand for recycled paper packaging products, thereby driving growth of the market over the forecast period.

- **Consumer Priorities**

As kraft paper packs find themselves increasingly moving from the warehouse onto supermarket shelves, there is a demand for grades that can carry the high quality graphics that allow them to compete with other packaging formats for the shopper's attention.

- **Exploring Export Markets**

There will be increasing demand for packaged goods which will in turn help Indian Companies to export their product into global market. The increase use of packaged goods will boost the demand for the Kraft Paper Manufacturing Company.

Threats

- **Competition**

Paper making does not require any special skills which can be attributed to a particular company. The person / organization, capable of investment of such large size projects, can install the project and create competition for other companies.

- **Government Regulation**

As the paper making involves discharge of effluent materials, it comes under heavy scrutiny of pollution control board. Improper disposal may get sanction from pollution control board and hamper the project.

[Source: CARE Advisory Research & Training Limited]

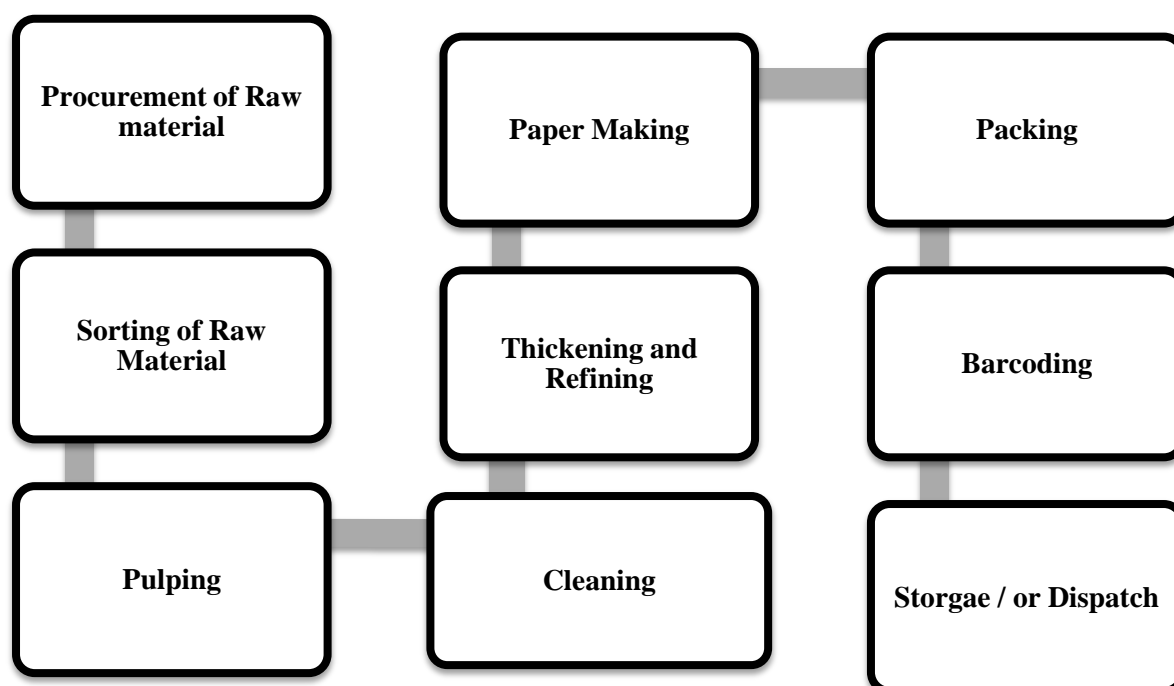
OUR PRODUCTS

Our Company is mainly engaged in manufacturing of Kraft Papers. We offer wide range of products ranging from High RCT, Kraft Liner, Liner to Corrugated Medium Paper, ranging mainly from 140 GSM to 350 GSM and 22-35 BF. These products are used in corrugation industry for manufacturing various types of packaging boxes and packaging products.

Product Type	Specifications
High RCT Paper	GSM Range: 135-185 Thickness range: 175-225μ COBB (60 second): Top-40-50; Bottom-40-50 Moisture:6.0-8.0%
Kraft Liner	GSM Range: 145-365 BF range: 22-35 Thickness range: 190-450μ COBB (60 second): Top-40-50; Bottom-40-50 Moisture:6.0-9.0%
Liner	GSM Range: 145-365 BF range: 22-35 Thickness range: 190-450μ COBB (60 second): Top-40-50; Bottom-40-50 Moisture:6.0-9.0%
Corrugated Medium Paper	GSM Range: 135-205 BF range: 18-24 Thickness range: 180-260μ COBB (60 second): Top-50-60; Bottom-50-60 Moisture:7.0-9.0%

OUR MANUFACTURING PROCESS

Our manufacturing process for Kraft paper is as follows:



Procurement of Raw Material

The manufacturing process starts with procurement of raw materials. The major raw material used in our manufacturing process is waste paper. The other raw material used are chemicals like starch powder, rosin, etc.

We source waste paper mainly through imports.

Sorting of Raw Material

The raw material procured is then sorted to remove first stage unwanted material, impurities and other contaminations like hot melts, waxes, adhesives, wet strength resin, ink, filler, etc. Since we mainly import our raw material, the sorting process is eased as the same is more graded and organised. Of the raw materials procured, some of the hard raw material needs to be cooked in a pressure vessel known as digester in order to loosen hard fibres and is thereafter sent directly to pulping machine through conveyor belts.

Pulping

The waste paper moves to the pulper via conveyor belt wherein water is added and the waste paper is slushed to slurry form. Pulping is carried out to extract cellulose – the fibrous content of the raw material. Our Company has also installed an Effluent Treatment Plant to recycle water used in our process and prevent water pollution and as required by pollution control board norms. The slurry is discharged continuously to a holding tank through perforated screen plate behind the rotor of pulper. Heavy impurities such as grit, metals, etc. are collected in a junk trap provided in the pulper and are drained off periodically. Similarly, undissolved materials like strings, etc. are retained in the pulper and are removed at regular intervals.

Cleaning

The slurry so obtained, then passes through high density cleaner to separate impurities, where heavy materials are removed first and then the slurry passes through a turbo separator to separate light materials. Further the pulp is treated with chemicals, necessary filling materials and dyes are added to it. The various chemicals and dyes added to the pulp are normally rosin, DSR, golden yellow, sunfast yellow, etc. to obtain various grades of paper. The requirement of various chemicals and the quality varies with variety of paper to be produced. The waste paper is then moved through medium consistency screen and centri cleaner wherein particles such as sand, unbeaten paper chips, hard cooked fibres and other non fibrous heavy materials are removed.

Thickening & refining

The clean pulp is then thickened in a Decker thickener and stored in a storage chest. All storage and processing chests holding pulp is provided with agitator to prevent the solids from settling. The pulp from the storage chest is pumped to a storage chest where it is circulated by pump through a disc refiner. When the pulp is refined to the required degree it is transferred to the final storage chest.

Paper making:

Paper making process consists of two stages -

1. Wet Stage
2. Dry Stage

Machineries in the wet stage are generally called wet part and similarly dry stage machineries called as dry part. The pulp is passed through paper machine head box on wire mesh which is running on rolls which continuously drain water from the pulp. Application of vacuum in the Hydrofoils positioned under the wire enable removal of water. The pulp forms into a wet mat. This is now lifted off and sent through a press for further removal of water.

The pulp sheet then enters to drying section where unfinished wet paper is brought on the dryer cylinders and heat is given by way of steam and excess water is evaporated. After drying, paper then moves to the pressing section where starch is added and paper is pressed to have proper consistency, thickness and strength.

After pressing, the paper then moves to drying again and then it goes to calendar to maintain thickness, flatness and as well as for glaze after that in pope reeler. These paper rolls are now moved to the rewinder through crane, where rolls are trimmed in the required reel size and are finally packed and dispatched.

OUR PLANT AND INFRASTRUCTURE FACILITIES

Registered Office

Infrastructure facilities

Our registered office is situated at Ahmedabad, Gujarat and is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities like fire safety, CCTV cameras etc. which are required for our business operations.

Power facilities

Company meets its power requirements by purchasing electricity from Torrent Power Limited.

Manufacturing facility

Infrastructure facilities

Our plant is situated at Halvad, Gujarat is well equipped with plant and machinery, computer systems, internet connectivity, other communication equipment, security and other facilities like fire safety, CCTV cameras which are required for our business & manufacturing operations. Our plant is equipped to conduct processes commencing from the raw material testing stage until completion at the final product testing stage. We also have in house testing laboratory for quality control checks and testing of our products. We endeavour to maintain safety in our premises by adhering to key safety norms

The proposed setting up of additional facility for manufacturing Kraft Paper of lower GSM ranging from 80 to 180 GSM and lower B.F ranging from 12 BF to 20 BF is to be set up on the existing available free hold land situated at Survey No. - 49/paiki 1, 50, 54, 55, 52/1, 52/2 and 53/1 and 53/2, Vill: Sukhpar, Taluka: Halvad, Dist: Surendranagar, Gujarat in the name of the Company. We currently have our existing unit situated on a total of 99251 sq. mt. area out of that currently we have constructed shed in 18531 sq. mtrs. However, we propose to set up an additional manufacturing facility available in the existing unit in balance land and shed construction will be around 6982 sq. mtrs.

Power facilities

We have an electricity supply agreement for a supply of upto 2.9 MW with Paschim Gujarat Vij Company Limited to meet our electricity requirements at our manufacturing facility. We have also installed an in house captive power plant of 3 MW to support our electricity requirements. We have also installed a DG set for meeting contingencies.

Power supply for the proposed plant shall be made by entering into an electricity supply agreement with Paschim Gujarat Vij Company Limited.

Water facilities

Adequate arrangements with respect to water requirements for factory, drinking and gardening purpose is made through borewells.

Water requirements for the proposed additional manufacturing facility would be met through bore wells.

In addition to our registered office and manufacturing facility, Our Company has participated in the Public E-Auction on November 30, 2017 held by Union Bank of India, Bhuj Branch, Gujarat under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 for the sale of Property consisting of Factory Land admeasuring area 17600 square metres with building and installed machineries at village Chubdak, Anjar-Bhuj Highway, Tal Bhuj owned by Eco Green Paper Product Private Limited.

Union Bank of India, Bhuj; vide letter dated November 30, 2017, has accepted the bid of our Company of Rs. 8.15 Crores, being the highest bid in the auction to acquire the said property as mentioned above. Our Company has already paid an amount of Rs. 81 Lakhs on November 27, 2017 towards Earnest money Deposit (“**EMD**”). As per the terms of auction, our Company was required to pay 25% of the bid amount of Rs. 8.15 crores on the day of auction, which was November 30, 2017. Accordingly, our Company has duly deposited the same being Rs.1,22,75,000/- less the EMD. Further, Union Bank of India has directed our Company to pay balance 75% of the bid amount being Rs. 6,11,25,000 within 15 days from the day of auction. For further details please refer to Risk Factor 21 appearing on page 25.

RAW MATERIALS

The major raw material used in our manufacturing process is waste paper. The other raw material used are chemicals like starch powder, rosin, etc. We source waste paper both from domestic and local markets. However our major requirement is met through imports. For the six months period ended September 30, 2017, our consumption of imported raw material and indigenous raw material constituted 90.91% and 9.09% respectively of our total raw material consumption. For the year ended March 31, 2017, our consumption of imported raw material and indigenous raw material constituted 88.43% and 11.57% respectively of our total raw material consumption. At present, we are mainly importing waste paper from the United States of America, the United Kingdom, Central Europe and the Middle East. The raw material shall remain same for the proposed manufacturing facility.

COLLABORATIONS

As on date of this Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements.

EXPORT AND EXPORT OBLIGATIONS

Our Company does not have any export obligation as on the date of this Red Herring Prospectus.

HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining 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 March 31, 2017 our Company has 232 employees, of which we have 26 employees at our registered office, 49 employees at our manufacturing facility's office and 157 skilled and unskilled works at our factory. We also employ contract, casual or temporary labour on need basis. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/semi-skilled/unskilled resources together with our dedicated management team have enabled us to successfully implement our growth plans.

For the proposed project, our Company shall require around over 110 employees, with an optimum mix of skilled and unskilled workers, engineers, factory manager, supervisors and others.

CAPACITY AND CAPACITY UTILISATION*

Our Manufacturing capacity and capacity utilisation is as follows:

Particulars	Actual			Projected		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Installed (mt p.a.)	66,000	72,000	80,000**	101500	1,29,000	1,29,000
Utilised (mt p.a.)	54,340	56,669	63,371	81,600	1,06,350	1,08,000
Capacity utilisation (%)	82.33	78.71	79.21	80.39	82.44	83.72

**Excluding the capacity, installed or projected in respect of the property consisting of Factory Land admeasuring area 17600 square metres with building and installed machineries at village Chubdak, Anjar-Bhuj Highway, Tal Bhuj acquired pursuant to the Public E-Auction on November 30, 2017 held by Union Bank of India. Further, we have not yet evaluated the projected capacity and capacity utilisation for the recently acquired property as the transaction is in a nascent stage and possession has not yet been received. Accordingly, management estimates in respect of the same are also not available as on date. The acquired property requires repairs and constructions after which capacity can be analysed and production can be commenced.*

*** As on the date of this RHP, our manufacturing facility has an installed capacity of 96,000 mt p.a.*

The Company proposes to enhance its installed capacity of 96,000 mt p.a., as on the date of this RHP, by setting up of additional manufacturing facility by way of addition of 33,000 mt p.a to the installed capacity which is proposed to commence in January, 2018 as per Appraisal report of Care Advisory Research & Training Limited dated May 31, 2017. For further details, please refer the chapter titled "Objects of the Issue" beginning on page 98 of the Red Herring Prospectus.

COMPETITION

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, price is the deciding factor in most cases. Among listed Companies, we face competition from listed companies like Shree Ajit Pulp and Paper Limited, Genus Papers Limited and South India Paper Mills Limited etc.

END USERS

The Kraft Paper manufactured by us is mainly used in manufacturing corrugated boxes which is used by all industrial and commercial packaging units.

MARKETING STRATEGY

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. To increase

our portfolio of customers, we identify the prospective clients, understand their requirements, explain them our product range and value addition we can offer. We strictly adhere to the quality expectations of the customers and at times take inputs from them which help us in improving our product's quality and thus enable us to match up to their expected standards.

Our marketing efforts are directed:

- To advertise and promote sales through direct marketing, exhibitions and communication with the Packaging Industry
- To be an approved vendor for large corporates.

We intend to expand our existing customer base by reaching out to other geographical areas. We are committed to promote our business both domestically and internationally by widening our presence through our marketing network

ENVIRONMENTAL FACTORS


Our Company is committed to minimising the environmental impact of its operations and its products through the adoption of sustainable practices and continuous improvement in environmental performance. Our Company's manufacturing process involves effluents like solid and liquid. We have installed effluent treatment plants to keep the discharge of effluent within the norms prescribed by Gujarat Pollution Board. We are complying with the Pollution Control Guidelines for our plant.

INSURANCE

We maintain insurance policies in respect of our business, plant and machinery, operations, and workforce. We maintain Marine Turnover Policy, Standard Fire and Special Perils Insurance (Material Damage), Boiler & Pressure Plant Insurance Policy, Marine Open Declaration Policy and Burglary Insurance Policy in respect of our plant and machineries, building, stocks of paper mill, office equipments and other business operations. To insure our workforce we maintain Group Personal Accident and Workmens Compensation Policy that cover accidental death, permanent disability and other injuries to our employees. We have also obtained Directors & Officers Liability Insurance. We also maintain public liability industrial insurance policies that cover personal injury and property damage to third parties. We have also obtained Motorcycle/ Scooter Package Policy, Goods Carrying Commercial Policy and other Miscellaneous policies in respect of our vehicles. For our proposed additional manufacturing facility of kraft paper with respect to construction of factory building and installation of machineries, we have obtained Erection All Risk Policy.

INTELLECTUAL PROPERTY

Our Company does not have any intellectual property as on the date of this Red Herring Prospectus. However our Company has applied for registration of the following trademarks with the Registrar of Trademarks:

Sr. No.	Particulars of Marks	Word/ Label Mark	Applicant	Application No.	Date of Filing	Class	Status
1.	Trademark (Word)	ASTRON	The Company	2152750	May 5, 2011	16	Abandoned
2.	Trademark (Device)	 astron	The Company	2432468	November 24, 2012	16	Registered

For further details, please refer the chapter titled "Government and other statutory approvals" beginning on page 232 of the RHP.

PLANT AND MACHINERY

Our Company proposes to acquire machineries at an estimated cost of about Rs. 180.20 million. The Company has received quotation from JMC Paper Tech Pvt. Ltd. dated May 24, 2017. For further details regarding plant and machineries to be acquired, please refer to the chapter titled "Objects of the Issue" beginning on page 98 of this Red Herring Prospectus.

Sr. No.	Description	₹ in Millions
1	Plant Machinery (JMC) - without duty, tax Transportation handling etc	90.70

2	Other Machine Parts -includes Pumps, Vacuum Pump, Compressor, Refiners, Platforms and ladders etc.	14.00
3	Electrification	25.00
4	Eot Crane	5.00
5	Water Supply/Borewell	1.20
6	Sedical For 600 M	5.80
7	Lab Equipment	0.90
8	Weigh Bridge And Scale	1.00
9	Pipe Line Fittings Condensate Removal System	21.00
10	Erection And Consultation Fee	5.00
11	Workshop Equipment	1.60
12	Machine Clothing And Hardwares, Other	9.00
TOTAL		180.20

* The above costs is exclusive of the applicable taxes

As on the date of the RHP, our Company has placed orders for supply of below machineries:

Head	Description	Purchase Order No.	Purchase Order Date	Name of the Supplier	Date of expected supply	Amount (Rs. in million)*
P & M	Pressurised Headbox SS316L	PO1170/17/00106	27/06/2017	Annapurna Imports	December, 2017	5.00
P & M	CI Press Roll W/O Rubber 1460mm Shell and Rotary for Press Roll	PO1170/17/00107	27/06/2017	Annapurna Imports	December, 2017	9.94
P & M	CI dryer with BRG & HSG (23148 KC3)1800MM(AS DRWG) & CI Dryer- Chrome Plated	PO1170/17/00105	27/06/2017	Annapurna Imports	December, 2017	18.62
Other	Suction Couch Roll With BRG & HSG	PO1170/17/00218	24/07/2017	Annapurna Imports	December, 2017	3.15
P & M	Calendar Complete System 4100 MM & Dandy Roll 1200X4400 MM & Press Roll bearing with COL system 24184 KC3W33 & Press Roll housing with COL system KC3W33	PO1170/17/00219	24/07/2017	Annapurna Imports	December, 2017	11.82
P & M/ Electrification	Wire Part & Dryers & Its Parts	PO1170/17/00216	01/07/2017	JMC Paper Tech	December, 2017	51.10
Other M/C Parts	D Type LC Pulper LCD-26 & High Density Cleaner HDC 04 & Screen	PO1170/17/00194	15/07/2017	Parason Machinery	December, 2017	10.41
Pipe & Cond System	Effluent Treatment Unit DAF :IDC 600m3/Hr	PO1170/17/00279	24/08/2017	Ishan Paryavaran Pvt Ltd.	December, 2017	1.65

Electrification	Axpert Automation System	PO1170/17/00286	29/08/2017	Amtech Electronics (India)Ltd	December, 2017	11.60
Electrification	STD & IE2 Motors	PO1170/17/00350	04/10/2017	Makharia Machineries Pvt. Ltd.	December, 2017	8.06
Pipe & Cond System	Steam & Condensate System	PO1170/17/00351	28/09/2017	Forbes Marshall Pvt. Ltd.	December, 2017	4.25
Other	Slat Conveyor-1500MM	PO1170/17/00419	08/11/2017	Sajan Equipments	December, 2017	1.60
Other	Quality Control Scanner	PO1170/17/00415	06/11/2017	Jasch Industries Limited	January, 2018	4.00

* The above costs is exclusive of the applicable taxes

The order for following machineries is yet to be placed by the Company:

Sr. No.	Description	₹ in Millions
1.	Eot Crane	5.00
2.	Water Supply/Borewell	1.20
3.	Sedical For 600 M	5.80
4.	Lab Equipment	0.90
5.	Weigh Bridge And Scale	1.00
6.	Erection And Consultation Fee	5.00
7.	Workshop Equipment	1.60
8.	Electrification	3.40
9.	Pipeline & Condensate System	15.10

LAND AND PROPERTY

Owned Properties:-

Sr. No.	Property description	Activity carried on by the Company	Vendor	Consideration (in Rs. Million)
1.	Unit No. 702, Block: D, 7 th Floor, admeasuring 333.46 Sq. Mtrs. i.e. 3588 Sq. Ft., of Ganesh Meridian, constructed and developed by Modinagar Commercial Co-operative Housng Society Limited Part 1 situated at Plot No. 70/3, Mouje Sola, District Ahmedabad, Sub-district Ahmedabad	Registered Office	Kirit Ghanshyambhai Patel and Bharat Prabhubhai Patel	6.670
2.	Flat No. 602, admeasuring 300 Sq. Yds. i.e. 250.83 Sq. Mtrs. of Status-2 Owners Association Part-2 known as SwagatAppartment situated on Final Plot No. 311/1paiki admeasuring 887.75 Sq. Mtrs, of Memnagar, District: Ahmedabad, Sub-district Ahmedabad-3	Given on Lease and Licence to State Bank of India	Lilaben Baldevbhai Patel and Baldevbhai Shivabhai Patel	2.10
3.	Plot No. 82, admeasuring 180 sq. mtrs. Viz. 216.35 sq. yards of City Survey No.565 situated at "Umiya Township", District Surendranagar, Sub-District Halvad, outside Morbi Gate, Near Girls Hostel, Gujarat	Residence for workers of the Factory	Bhagwanbhai Jadavji Patel, Amarshibhai Popatbhai Patel, Ganpatbhai Papatbhai Patel, Nitinbhai Popatbhai Patel, Kanjibhai Ramjibhai Patel, Vasantaben	0.36

			Nagarbhai Patel, Alkeshkumar Nagarbhai Patel	
4.	(I) Plot No. 72, admeasuring 124-68 sq.mtrs i.e. 149.12 sq.yds. (II) Plot No. 73, admeasuring 125-40 sq.mtrs i.e. 149.98 sq.yds., (III) Plot No. 74, admeasuring 124-20 sq.mtrs. i.e. 148.54 sq. yds. and (IV) Plot No. 75, admeasuring 123-00 sq. mtrs. i.e. 147.10 sq. yds., totalling 497.28 sq. mtrs. i.e. 594.74 sq. yds. situated at "Umiya Township", District Surendranagar, Sub-District Halvad, outside Morbi Gate, Near Girls Hostel, Gujarat.	Residence for workers of the Factory	Bhagwanbhai Jadavji Patel, Amarshibhai Popatbhai Patel, Ganpatbhai Papatbhai Patel, Nitinbhai Popatbhai Patel, Kanjibhai Ramjibhai Patel, Vasantaben Nagarbhai Patel, Alkeshkumar Nagarbhai Patel	1.00
5.	Plot No. 83, admeasuring 180.60 sq.mtrs. i.e. 216.50 sq.yds. of City Survey No. 565/83 of Plot No. 1 situated on the Land known as "Umiya Township", District Surendranagar, Sub-District Halvad, outside Morbi Gate, Near Girls Hostel, Gujarat.	Residence for workers of the Factory	Patel Chandulal Bhikhabhai	0.3-6-
6.	Plot No. 84 admeasuring 122.40 sq.mtrs. i.e. 146.39 sq.yds. of City Survey No. 565/84 of Plot No. 1 situated at "Umiya Township", District Surendranagar, Sub-District Halvad, outside Morbi Gate, Near Girls Hostel, Gujarat.	Residence for workers of the Factory	Patel Chandulal Bhikhabhai	0.25
7.	Survey No. 49/paiki 1 admeasuring acre 4-06 gunthas Viz. Hec. Are. Sq. Mtrs. 1-67-95 per are (16795.00 Sq. Mtrs.) situated at Kaliyadhar, Sukhpar, District Surendranagar, Sub-District Halvad, Gujarat.	Storage of the raw material	Hasumatiben Jashubhai Patel	1.10
8.	Survey No. 50, admeasuring 3-11 gunthas having Hec. Are. Sq. Mtrs. 1-32-54 per Are (13254.00 Sq. Mtrs.) situated at Sukhpar, Sub-District Halvad, District Surendranagar, Gujarat.	Storage of the raw material	Kusumben Rasiklal Patel	1.00
9.	Survey No. 54, admeasuring Acre 3-08 Gunthas having Hec. Are. Sq. Mtrs. 1-29-50 per Are (12950.00 Sq. Mtrs.) situated at Sukhpar, Sub-District Halavad, District Surendranagar, Gujarat.	Storage of the raw material	Jashubhai Valjibhai Patel	3.26
10.	Survey No. 55, admeasuring Acre 2-29 Gunthas Viz. Hec. Are. Sq. Mtrs. 1-10-28 per Are. (11028.00 Sq. Mtrs.) situated at Sukhpar, Sub-District Halavad, District Surendranagar, Gujarat.	Storage of the raw material	Rasiklal Valjibhai Patel	2.78
11.	(I) Survey No. 52/1, admeasuring Hec. Are. Sq. Mtrs. 1-99-31 per Are., (II) Survey No. 52/2 admeasuring Hec. Are. Sq. Mtrs. 0-54-63 per Are., (III) Survey No. 53/1 admeasuring Hec. Are. Sq. Mtrs. 0-97-13 Are., (IV) Survey No. 53/Paiki-2 admeasuring hec. Are. Sq. Mtrs. 1-01-75 per Are., out of which land admeasuring Acre 11-07 Gunthas is situated at Sukhpar, Sub-District Halavad, District Surendranagar, Gujarat.	Factory Premises	Divyangbhai Jashubhai Patel and Ashokbhai Valjibhai Patel	114.00

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies which are relevant to our Company's business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.

The description of laws and regulations set out below are not exhaustive, and are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

INDUSTRY RELATED LAWS

The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. The Gujarat Factories Rules, 1963 applies to our Company.

The Employees' Compensation Act, 1923

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

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

Industrial Dispute Act, 1947 ("ID Act") and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. 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.

The Indian Boilers Act, 1923 ("Boiler Act")

Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act also provide for penalties for illegal use of boilers.

LABOUR LAWS

Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("EPF Act")

Under the EPF Act, compulsory provident fund, family pension fund and deposit linked insurance are payable to

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

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of 'five year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days' wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs.10,00,000/- (Rupees Ten Lakhs Only) for an employee.

The Minimum Wages Act, 1948("MWA Act")

The Minimum Wages Act, 1948 was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory and every other establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto 6 (six) months or a fine up to Rs.1,000/- (Rupees One Thousand Only) or both.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter-alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

The Payment of Wages Act, 1936("PWA")

The Payment of Wages Act, 1936 is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

Equal Remuneration Act, 1976

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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)

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

Contract Labour (Regulation and Abolition) Act, 1970 (the “CLRA”)

CLRA is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

Gujarat Shops and Establishment Act, 1948

The Company has its registered office at “D-702, 7th Floor, Ganesh Meriden, Opposite High Court, S.G. Highway, Ahmedabad Gujarat-380060, India” and accordingly the provisions of Gujarat Shops and Establishments Act, 1954(“S & E Act”) are applicable to the Company. The said Act regulates the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

ENVIRONMENT RELATED LAWS

Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property. Further, The Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment is assessed by the Ministry before granting clearances for the proposed projects.

Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981

Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 are the other major statutes in India which seek to regulate and protect the environment against pollution and related activities in India. The basic purpose of these statutes is to control, abate and prevent pollution. In order

to achieve these objectives, Pollution Control Boards which are vested with diverse powers to deal with water and air pollution, have been set up in each State. In terms of the Water (Prevention and Control of Pollution) Act, 1974, any entity is inter-alia prohibited from knowingly causing or permitting the discharge of poisonous, noxious or polluting matter prescribed and also from establishing any industry, operation or process which is likely to discharge sewage trade effluents. In terms of the Air (Prevention and Control of Pollution) Act, 1981, save and except with the consent of a State Pollution Control board, an entity is prohibited, from operating any industrial plant for the purpose of any industry specified thereunder in an air pollution control area. Further, an entity operating any industrial plant in an air pollution control area is prohibited from discharging or causing or permitting to be discharged the emission of any air pollutant in excess of the standards prescribed.

Hazardous Waste (Management and Handling) Rules, 1989

In exercise of the powers conferred by sections 6, 8 and 25 of the Environment (Protection) Act, 1986, the Central Government has laid down these rules. Under these Rules, the Occupier and the operator of a facility shall be responsible for proper collection, reception, treatment, storage and disposal of hazardous wastes listed in the schedule. It shall be his responsibility to take all steps to ensure that the wastes are properly handled and disposed of without any adverse effect to the environment.

TAX RELATED LEGISLATIONS

Central Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 (“**CGST Act**”) regulates the levy and collection of tax on the intra State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

The Central Sales Tax Act, 1956 (“CST Act”)

The Central Sales tax is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the CST Act. If the goods move between States pursuant to a sale arrangement, then the taxability of such sale is determined by the CST. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

Value Added Tax (“VAT”)

Value Added tax is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

Income-tax Act, 1961 (“IT Act”)

The Income-tax Act, 1961 is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Service Tax

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

Professional Tax

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

The Central Excise & Tariff Act, 1985

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

INTELLECTUAL PROPERTY LAWS

The Trademarks Act, 1999

Under the Trademarks Act, 1999 ("Trademarks Act"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

OTHER LAWS

Transfer of Property Act, 1882 ("T.P. 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 Transfer of Property Act, 1882. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- **Sale:** The transfer of ownership in property for a price, paid or promised to be paid.
- **Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- **Charges:** Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- **Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- **Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

The Registration Act, 1908 (“Registration Act”)

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

The Indian Stamp Act, 1899 (“Stamp Act”)

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

The Indian Contract Act, 1872 (“Contract Act”)

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963 (“Specific Relief Act”)

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

Competition Act, 2002 (“Competition Act”)

The Competition Act, 2002 aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Companies Act, 2013

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

Legal Metrology Act, 2009

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

Additionally, the L.M. Act provides for the following penalties in case of contravention of certain provisions thereof:

1. Penalty for use of weight, measure or numeration in contravention of the L.M. Act;
2. Penalty for alteration or tampering with the weight or measure;
3. Penalty for making a transaction, deal or contract in contravention of the L.M. Act.

Penalty for the buyer (buying in excess of the quantity specified, or price paid for) and seller (selling less the quantity specified, or price paid for).

REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Exchange Management Act, 1999 (“the FEMA”)

Foreign investment in companies in the pharmaceutical sector is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment (“**FDI Policy**”), with effect from August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017.

In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. The FDI Policy issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue. RBI has also issued the Master Circular on Foreign Investment in India dated July 01, 2015. The aforesaid Master Circular on Foreign Investment will continue to remain valid until Master Directions are issued in that behalf. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such Issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such Issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated, as a public limited company on December 29, 2010 under the provisions of the Companies Act, 1956 as Astron Paper & Board Mill Limited, in Gujarat. Our Company obtained the Certificate of Commencement of Business on February 3, 2011 from the Registrar of Companies, Gujarat at Ahmedabad.

In the past, there have been some instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by RoC. For further details please refer Risk Factor no. 3 appearing on page 19

Corporate profile of our Company

For information on our Company's business profile, activities, services, managerial competence, and customers, see chapters titled "Our Management", "Our Business" and "Industry Overview" beginning on pages 167, 143 and 116, respectively.

Changes in the Registered Office

There has been no change in our Registered Office since incorporation.

Awards/accreditations/ major events in the History of our Company:

Year	Milestone
2010	Incorporation of Company
2012	Commencement of commercial production.
2014	Achieved turnover of more than Rs.100 crores
2014	Received ISO 9001: 2008 and ISO 14001: 2004 certification in respect of in respect of manufacture and dispatch of Kraft Paper.
2014	Received FSC- STD-40-004 V2/1 Standard for COC Certification – October 2011 and FSC-STD-40-007 V2-0 Sourcing reclaimed materials – April 2011 in respect of purchase of pre and post-consumer recycled carton boxes and manufacture of 100% FSC Recycled Kraft paper in rolls containing at 85% post-consumer material under percentage system.
2016	Received Authorised Economic operator- T1 certificate
2017	Received permission for availing Direct Port Delivery facility

Amendments to our Memorandum of Association

Since incorporation, the following changes have been incorporated in our Memorandum of Association of our Company, after approval of our members:

Sr. No.	Particulars of increase	Date of Shareholder's meeting	AGM/ EGM
1.	Increase in authorized share capital from ₹ 5,00,000/- divided into 50,000 Equity Shares of ₹ 10/- each to ₹ 5,00,00,000/- divided into 50,00,000 Equity Shares of ₹10/- each.	April 21, 2011	EGM
2.	Increase in authorized share capital from ₹ 5,00,00,000/- divided into 50,00,000 Equity Shares of ₹10/- each to ₹ 10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- each.	December 31, 2012	EGM
3.	Increase in authorized share capital from ₹10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- each to ₹ 27,00,00,000/- divided into 2,70,00,000 Equity Shares of ₹10/- each.	March 18, 2013	EGM

Sr. No.	Particulars of increase	Date of Shareholder's meeting	AGM/ EGM
4.	Increase in authorized share capital from ₹ 27,00,00,000/- divided into 2,70,00,000 Equity Shares of ₹10/- each to ₹ 31,00,00,000/- divided into 3,10,00,000 Equity Shares of ₹10/- each.	March 3, 2014	EGM
5.	Increase in authorized share capital from ₹ 31,00,00,000/- divided into 3,10,00,000 Equity Shares of ₹10/- each ₹ 32,50,00,000/- divided into 3,25,00,000 Equity Shares of ₹10/- each.	January 27, 2015	EGM
6.	Increase in authorized share capital from ₹ 32,50,00,000/- divided into 3,25,00,000 Equity Shares of ₹10/- each to ₹ 50,00,00,000 divided into 5,00,00,000 Equity shares of ₹ 10/- each	May 23, 2017	AGM

Withdrawal of application filed for reduction of capital of the Company

The Company filed an Company Petition No.30 of 2017 under Section 66 of the Companies Act, 2013 before National Company Law Tribunal, Ahmedabad bench, Ahmedabad inter-alia for reduction of Share Capital from sum of Rs.32,50,00,000/- (Rupees Thirty Two Crores Fifty Lacs only) to sum of Rs.16,25,00,000/- (Rupees Sixteen Crore Twenty Five Lacs only) by transferring the aforesaid amount to General Reserve. The National Company Law Tribunal, Ahmedabad bench, Ahmedabad passed an Order No. C.P No.30/66/NCLT/AHM/2017 dated March 14, 2017 inter-alia admitting the aforesaid Application of the Company and fixed the next hearing in the matter on July 4, 2017. Meanwhile, the Company filed an Application dated May 27, 2017 before National Company Law Tribunal, Ahmedabad on May 30, 2017 requesting for permission to withdraw the Company Petition No.30 of 2017. Subsequently, vide an order dated July 4, 2017, the NCLT has permitted the Company to withdraw Petition No. 30 of 2017 for reduction of share capital of Company and accordingly the case is dismissed.

Acquisition of Businesses / Undertakings

The Company has not made any acquisition of businesses / undertakings.

Details of Merger/Amalgamation

There has been no merger/amalgamation pertaining to our Company.

Injunctions or Restraining Orders

Our Company is not operating under any injunction or restraining order.

Time and cost over-runs in setting up projects and certain other adverse remarks

The scheduled completion target for setting up of the manufacturing facilities of the Company was November 1, 2012, estimated by our management, The schedule of implementation of the manufacturing facilities has undergone a change because of certain technical defects arose in the plant as a result of which the plant was unable to function at its intended capacity. The technical defects were subsequently modified and the plant was able to operate at its intended capacity by December 11, 2012. As a result, the commercial production date, as envisaged, was revised and further extended by a period of 1(one) month 12 (twelve) days. There has been change in few specifications of certain machinery and equipment and in certain cases, the machinery supplier has changed, on account of which either a machinery has been added/replaced/removed, which has resulted in a cost increase.

Fund raising through equity or debt

Our Company has not undertaken any public offering of debt instruments since its inception. For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled "Capital Structure" and "Financial Indebtedness" beginning on pages 80 and 215, respectively of this RHP.

Revaluation of assets

Our Company has not revalued its assets since its incorporation.

Defaults or Rescheduling of Borrowings with Financial Institutions/Banks

Our Company is not in default or in the process of rescheduling in respect of any borrowings with financial institutions/banks. None of our loans have been converted into equity shares.

Strikes, Lock-outs or Labour Unrest in the Company

There have been no strikes, lock-outs or labour unrest since incorporation of our Company

Changes in the activities of the Company during the last five years

There has been no change in the activities of our Company during the period of 5 (five) years prior to the date of filing of this RHP which may have had a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

Technology, market competence and capacity build-up

For details on the technology, market competence and capacity build-up of our Company, please see the chapter titled “Our Business” beginning on page 143 of this RHP.

Other details regarding our Company

For details regarding the capacities/facilities of our Company, location of plants and research and development facilities, products, marketing and competition, please see the chapters titled “Industry Overview” and “Our Business” beginning on pages 116 and 143, respectively of this RHP.

Number of Shareholders/Members

As on the date of this RHP, the total number of holders of our Equity Shares is 23.

Our Main Objects:

The main object of our Company as stated in the Memorandum of Association is:

To carry on the business of manufacturers, importers, exporters and dealers in all kinds and classes of paper, board, corrugated board, corrugating medium aid pulp including writing paper printing paper, absorbent paper, news print paper, wrapping paper, tissue paper, cover paper, blotting paper, filter paper, antique paper, ivory finish paper, coated paper, art paper, bank and bond paper, badami, brown or bulf paper, bible paper, cloth lines paper, azure laid and cover paper, cream liad and wover paper, grease proof paper, gummed paper, hand – made paper, parchment paper, drawing paper, kraft paper, manila paper, envelop paper, tracing paper, vellum paper, water proof paper, carbon paper, sensitized paper, chemically treated paper, paste board, duplex and tripled board, hard board, plywood board, post cards, visiting cards, soda pulp, mechanical pulp, sulphite pulp and semi-chemical pulp.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out and the objects of the present Issue are in accordance with our Memorandum of Association.

Joint Venture and Other Agreements

As on the date of filing the RHP, there is no existing joint venture or other material agreements entered into by our Company which are not in its ordinary course of business.

Shareholders Agreement

There are no Shareholders’ Agreements existing as on the date of this RHP.

Other Agreements

There are no material agreements or contracts, which have been entered into by our Company within a period of two years prior to the date of the RHP, which are not in the ordinary course of business.

Strategic Partners

Our Company does not have any strategic partners as on date of the RHP.

Financial Partners

Our Company does not have any financial partners as on date of the RHP.

Our Holding Company

As on the date of the RHP, we have no holding company.

Our Subsidiary

We do not have any subsidiaries as on the date of the RHP.

OUR MANAGEMENT

The Articles of Association require our Board to have at least 3 Directors and not more than 15 Directors. As on the date of this RHP, our Board comprises of 8 Directors.

The following table sets forth details regarding our Board of Directors as on the date of filing of this RHP with SEBI:

Board of Directors

Sr. No.	Name, Fathers' Name, Designation, Term, Age, Nationality, Address, Occupation & DIN	Date of Appointment & Term of Directorship	Other Directorships/ Partnership/ Trusteeship/ Proprietorship/ Association
1.	<p>Mr. Kirit G. Patel S/o Ghanshyambhai Shyamjibhai Patel</p> <p>Designation: Chairman and Managing Director</p> <p>Term: For a term of 5 years with effect from April 1, 2016, not liable to retire by rotation</p> <p>Age: 44</p> <p>Nationality: Indian</p> <p>Address: 302, Status Tower-2, Near Manav Mandir, Memnagar, Ahmedabad, Gujarat, India-380052.</p> <p>Occupation: Business</p> <p>DIN: 03353684</p>	Reappointed as a Managing Director w.e.f. April 1, 2016	<p><i>Partnership</i></p> <p>Krishna Builders</p> <p><i>HUF</i></p> <p>Kirit Ghanshyambhai Patel H.U.F.</p>
2.	<p>Mr. Ramakant Patel S/o Kantilal Ishwarbhai Patel</p> <p>Designation: Executive Director</p> <p>Term: Liable to retire by rotation</p> <p>Age: 51</p> <p>Nationality: Indian</p> <p>Address: C/25, Sentossa Greenland, Science City Road, Rakanpur, Gandhinagar, Gujarat, India-382721.</p> <p>Occupation: Business</p> <p>DIN: 00233423</p>	Appointed as Executive Director on December 29, 2010 liable to retire by rotation	<p><i>Other Directorships</i></p> <p>Shreerangam Packaging Private Limited</p> <p><i>HUF</i></p> <p>Ramakant Kantibhai Patel H.U.F.</p>
3.	<p>Mr. Karshanbhai Patel S/o Hirabhai Maniben Patel</p> <p>Designation: Executive Director</p> <p>Term: Liable to retire by rotation</p> <p>Age : 64</p>	Appointed as Executive Director on December 29, 2010 liable to retire by rotation	<p><i>Other Directorships</i></p> <p>(i) Specific Ceramics Limited</p> <p>(ii) Pokar Agrotech Private Limited</p> <p><i>HUF</i></p>

Sr. No.	Name, Fathers' Name, Designation, Term, Age, Nationality, Address, Occupation & DIN	Date of Appointment & Term of Directorship	Other Directorships/ Partnership/ Trusteeship/ Proprietorship/ Association
	<p>Nationality: Indian</p> <p>Address: 145 AT & Post, Daramali, Idar District, Sabarkantha, Gujarat, India-383110.</p> <p>Occupation: Business</p> <p>DIN: 00048167</p>		Karshanbhai Hirabhai Patel H.U.F.
4.	<p>Mr. Kanubhai Patel <i>s/o Bhikhabhai Valjibhai Patel</i></p> <p>Designation: Executive Director</p> <p>Term: Liable to retire by rotation</p> <p>Age : 39</p> <p>Nationality: Indian</p> <p>Address: Plot- 1029, Sector- 2/D, Gandhinagar-382006, Gujarat India.</p> <p>Occupation: Business</p> <p>DIN: 00386852</p>	Appointed as Executive Director on May 23, 2017 liable to retire by rotation	<p><i>Other Directorships</i></p> <p>(i) Asian Granito India Limited</p> <p><i>Partnership</i></p> <p>(ii) Aryan Buildspace LLP; and</p> <p>(iii) AGL Developers</p>
5.	<p>Dr. Shyam Agrawal <i>s/o Mr. Nand Lal Agarwal</i></p> <p>Designation: Additional Independent Director</p> <p>Tenure: 5 years with effect from May 29, 2017, subject to regularisation of appointment.</p> <p>Age: 38</p> <p>Nationality: Indian</p> <p>Address: Tara Sadan, Maha Mandir Bagh, Ram Leela Maidan, Sikar-332001, Rajasthan, India</p> <p>Occupation: Professional</p> <p>DIN: 03516372</p>	Additional Independent Director vide resolution dated May 29, 2017.	<p><i>Other Directorships:</i></p> <p>(i) ICSI Governance Research and Knowledge Foundation; and</p> <p>(ii) ICSI Insolvency Professionals Agency</p> <p><i>Association:</i></p> <p>The Institute of Company Secretaries of India (ICSI) – President</p>
6.	<p>Mr. Sudhir Maheshwari <i>s/o Omprakash Mulchand Maheshwari</i></p> <p>Designation: Additional Independent Director</p> <p>Term: 5 years with effect from May 29, 2017, subject to regularisation of appointment.</p>	Additional Independent Director vide resolution dated May 29, 2017.	<p><i>Partnership</i></p> <p>M/s. Sudhir Maheshwari and Associates</p>

Sr. No.	Name, Fathers' Name, Designation, Term, Age, Nationality, Address, Occupation & DIN	Date of Appointment & Term of Directorship	Other Directorships/ Partnership/ Trusteeship/ Proprietorship/ Association
	Age : 45 Nationality: Indian Address: 303, Status-II, NR-Manavmandir, Memnagar, Ahmedabad-380052, Gujarat India Occupation: Professional DIN: 07827789		
7.	Ms. Chaitali Parikh D/o Bharatkumar Ambalal Parikh Designation: Independent Director Term: 5 years with effect from May 20, 2015 Age: 26 Nationality: Indian Address: 6, Malhar Apt, Ambawadi Bazar, Ahmedabad, Gujarat, India-380006. Occupation: Service DIN: 07189130	Appointed as Additional Independent Director with effect from May 20, 2015 and regularised as Independent Director vide resolution dated September 30, 2015.	NIL
8.	Mr. Sanjiv Srivastava S/o Shantiprakash Gurprasad Srivastava Designation: Independent Director Term: 5 years with effect from May 1, 2017 Age: 60 Nationality: Indian Address: 202, Ishwarkrupa Appt, 19, Chapaner Society, Usmanpura Ahmedabad – 380013, Ahmedabad Gujarat, India. Occupation: Business DIN: 07361850	Appointed as Additional Independent Director with effect from May 1, 2017 and regularised as Independent Director vide resolution dated May 23, 2017.	Other Directorships JMC Paper Tech Global Services Private Limited

Note: None of the directors on the board of our Company is related to each other.

None of our Directors are Wilful Defaulters as on the date of this RHP.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital markets by SEBI.

None of our directors are or have been directors in any of the listed companies which have been/ were delisted from the stock exchange(s).

None of our directors are or have been directors in any of the listed companies whose shares have been/were suspended from being traded on the BSE Limited / National Stock Exchange of India Limited.

None of the Promoters, Directors or persons in control of our Company, have been or are 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 abovementioned Directors was selected as director or member of senior management.

Brief Profile of the Directors

Mr. Kirit G. Patel, aged 44 years, is the Promoter, Chairman and Managing Director of our Company. He has been on the Board of Directors of our Company since its incorporation. He holds a Bachelor's degree in Commerce from Gujarat University. He has over 2 (two) decades of work experience in the trading and paper packaging industry by virtue of being the proprietor of M/s. Mitul Enterprises, which was engaged in the business of paper packaging, from 1997 onwards till 2015. He is currently responsible for the management of the entire operations of the Company, including strategic initiatives of our business.

Mr. Ramakant Patel, aged 51 years, is the Promoter and Executive Director of our Company. He has been on the Board of Directors of our Company since its incorporation. He has over two decades of work experience in packaging and paper industry. Prior to joining our Company, he was a Promoter and Director of Shreenath Packaging Private Limited from July, 1995 to January, 2006. Subsequently, he joined Shreerangam Packaging Private Limited as a Director in January, 2006 and continues to be a director till date. He currently looks after the marketing strategies of the Company.

Mr. Karshanbhai Patel, aged 64 years, is the Promoter and Executive Director of our Company. He has been on the Board of Directors of our Company since its incorporation. He has approximately 6 years of experience in the industry in which the Company operates. Presently, he is also a Director at Specific Ceramics Limited and Pokar Agrotech Private Limited.

Mr. Kanubhai Patel, aged 39 years, is the Executive Director of our Company. He joined our Company as an Additional Director in April 2017. He has approximately 5 years of work experience and currently holds directorship in Asian Granito India Limited. He currently handles production related activities of the Company.

Dr. Shyam Agrawal, aged 38 years, is the Independent Director of our Company. He has obtained a degree as a Doctor of Philosophy from University of Rajasthan on the topic 'Micro, Small and Medium Enterprises: An Analytical Study of Law, Practice and Procedures'. He is a Fellow Member of the Institute of Company Secretaries of India (ICSI) is also the President of the Institute of Company Secretaries of India for the year 2017 -18. He is also a Member of the Chartered Institute for Securities & Investment, United Kingdom.

Ms. Chaitali Parikh, aged 26 years, is an Independent Director of our Company since May 20, 2015. She holds a Bachelor's degree in Commerce from Gujarat University. She is an Associate Member of the Institute of Company Secretaries in India. She was associated with Sambhaav Media Limited from March 1, 2012 to March 31, 2015 and with City Tiles Limited from April 1, 2015 to October 10, 2017. She is currently working with Kalyx Warehousing Private Limited as a Company Secretary.

Mr. Sudhir Maheshwari, aged 45 years, is an Independent Director of our Company. He is a member of Institute of Chartered Accountants of India. He has been a partner in M/s. Sudhir Maheshwari and Associates since 1997 till date.

Mr. Sanjiv Srivastava, aged 60 years, is an Independent Director of our Company. He joined our Company on May 1, 2017. He currently holds directorship in JMC Paper Tech Global Services Private Limited.

Borrowing Powers

In terms of the Articles of Association of the Company, the Board is authorized to generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any bodies corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the

Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose) or such amount as may be approved by the shareholders from time to time. No debt incurred by the Company in excess of the limit imposed by this Article shall be paid or effectual unless the tenderor proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

By way of special resolution passed by the shareholders of our Company at the Annual General Meeting held on May 23, 2017, the Board was authorized to borrow funds either from the banks, financial institutions, firms, companies, or other bodies from time to time, on such terms and conditions, as to repayment, interest or otherwise, as it thinks fit and proper in the interests of the Company, and such sums as may be necessary for the time being, may exceed the aggregate paid-up Share Capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of sums so borrowed shall not exceed the limit of Rs.1000 Crore at any point of time and that such borrowings shall be exclusive of temporary loans obtained or to be obtained by the Company from the Company's bankers in the ordinary course of business.

Compensation of Managing Director

We have not entered into any service agreement with our Chairman and Managing Director providing for benefits upon termination of employment. However, the terms and conditions, relating to remuneration and appointment of Mr. Kirit G. Patel, Chairman and Managing Director, are set out in the agreement dated April 7, 2016 entered into by him with the Company which is effective from April 1, 2016.

The details of remuneration of our Managing Director: -

(i) **Kirit G. Patel, Chairman and Managing Director**

Particulars	Remuneration
Salary	In the range of ₹ 1,00,200/- to ₹ 2,00,000/- per month.
Incentive Remuneration	Not exceeding 200% of Salary
Commission	As determined by the Board from time to time.

Payment of compensation or benefit to Directors/ officers of our Company

The compensation/sitting fees/other remuneration paid to our current Directors for Fiscal 2017 are as follows:

Sr. No.	Directors	Amount (in Rs.)
1.	Mr. Kirit G. Patel	Basic Salary of ₹ 12,02,400/-, inclusive of Other Allowances amounting to ₹ 21,600/-.
2.	Mr. Ramakant Patel	Basic Salary of ₹ 6,00,000/-
3.	Mr. Karshanbhai Patel	NIL
4.	Ms. Chaitali Parikh	Sitting fees amounting to ₹ 20,000
5.	Sudhir Maheshwari	NIL
6.	Dr. Shyam Agrawal	NIL
7.	Sanjiv Srivastava	NIL
8.	Mr. Kanubhai Patel	NIL

The abovementioned remuneration and perquisites are subject to the ceiling laid down in Sections 197 and Schedule V of the Companies Act and all other applicable provisions of the Companies Act as may be amended from time to time. In case of payment of remuneration in excess of the prescribed limits, recovery of the excess amount may be waived by the Board of Directors upon the recommendation of the Remuneration Committee and with the approval of the Central Government.

Except as stated in this RHP, 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.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. The shareholding of our Directors is hereunder provided as on date:

Sr. No.	Directors	No. of Equity shares	Percentage (%) of Pre-Issue equity capital
1.	Mr. Kirit G. Patel	66,99,650	20.61
2.	Mr. Ramakant Patel	11,82,900	3.64
3.	Mr. Karshanbhai Patel	35,75,000	11.00
Total		1,14,57,550	35.25

Interest of Directors

Our Directors are interested in our Company in the following manner: -

- All the Directors may be deemed to be interested to the extent of fees, if any, 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 the Articles of Association;
- All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares;
- All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firms in which they are partners as declared in their respective declarations;
- Mr. Kirit G. Patel, our Chairman and Managing Director; Mr. Ramakant Patel and Mr. Karshanbhai Patel, our Executive Directors, have extended their personal guarantees for securing the repayment of certain bank loans obtained by our Company. For details, please refer chapter titled “Financial Indebtedness” beginning on page 215 of this RHP.
- Mr. Kirit G. Patel, our Chairman and Managing Director; Mr. Ramakant Patel and Mr. Karshanbhai Patel, our Executive Directors, have also extended unsecured loans to the Company in pursuance of the covenants stipulated by the Bankers to the Company in the sanction letters issued by them in this regard. The details of the unsecured loans availed from the Directors by the Company are as follows:

Name	Amount (in ₹ million)
Mr. Karshanbhai Patel	4.80
Mr. Kirit G. Patel	14.98
Mr. Ramakant Patel	5.25
Total	25.03

For details, please refer chapter titled “Financial Indebtedness” beginning on page 215 of this RHP:

Except as stated above and under the heading “Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions” on page F-53, under the section titled “Financial Information”, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this RHP in which the Directors 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 including the properties purchased by our Company.

Changes in our Board of Directors during the last three years

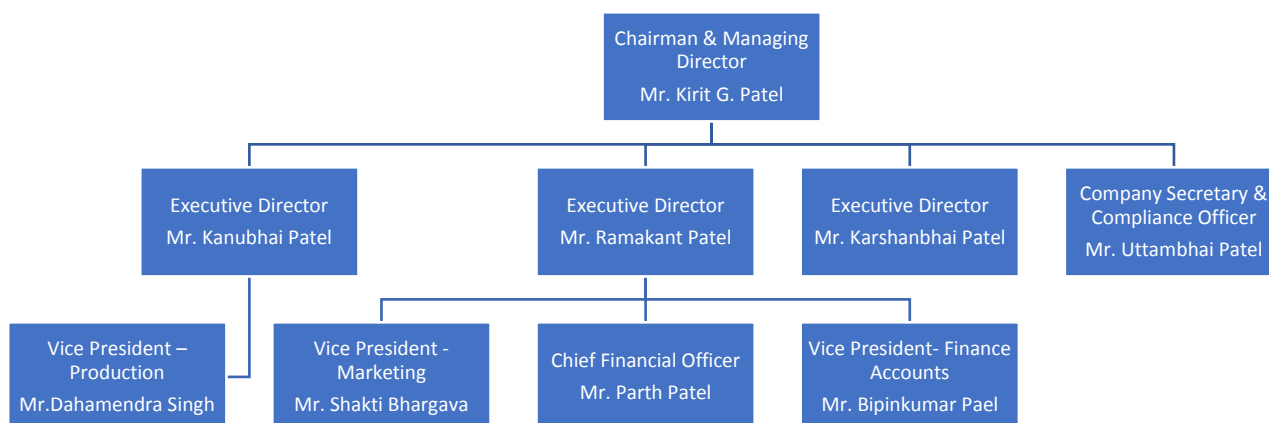
The following changes have taken place in the Board of Directors of our Company during the last three years:

Sr. No.	Name	Date of appointment/ change	Reason
1.	Dr. Shyam Agrawal	May 29, 2017	Appointed as Additional Independent Director
2.	Mr. Sudhir Maheshwari	May 29, 2017	Appointed as Additional Independent Director
3.	Mr. Sanjiv Srivastava	May 23, 2017	Change in designation from Additional Independent Director to Independent Director
4.	Mr. Kanubhai Patel	May 23, 2017	Change in designation from Additional Executive Director to Executive Director
5.	Mr. Sanjiv Srivastava	May 1, 2017	Appointed as Additional Independent Director
6.	Mr. Kanubhai Patel	April 1, 2017	Appointed as Additional Executive Director
7.	Mr. Jayantibhai Patel	March 21, 2017	Cessation
8.	Ms. Anita Lalwani	March 21, 2017	Cessation
9.	Mr. Kirit G. Patel	April 1, 2016	Reappointed as Managing Director
10.	Ms. Chaitali Parikh	September 30, 2015	Change in designation from Additional Independent Director to Independent Director
11.	Ms. Anita Lalwani	September 30, 2015	Change in designation from Additional Independent Director to Independent Director
12.	Ms. Chaitali Parikh	May 20, 2015	Appointed as Additional Independent Director
13.	Ms. Anita Lalwani	May 20, 2015	Appointed as Additional Independent Director
14.	Mr. Rasiklal Patel	October 1, 2014	Cessation

Composition of the Board of Directors

S. No.	Name of the Director	Category
1.	Mr. Kirit G. Patel	Chairman and Managing Director
2.	Mr. Ramakant Patel	Executive Director
3.	Mr. Karshanbhai Patel	Executive Director
4.	Mr. Kanubhai Patel	Executive Director
5.	Dr. Shyam Agrawal	Additional Independent Director
6.	Mr. Sudhir Maheshwari	Additional Independent Director
7.	Ms. Chaitali Parikh	Independent Director
8.	Mr. Sanjiv Srivastava	Independent Director

Management Organisational Structure



Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges and the applicable regulations of SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges, the SEBI (LODR) Regulations, 2015 and the SEBI 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, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board of Directors is constituted in compliance with the Companies Act, Listing Agreement to be executed with Stock Exchanges, the SEBI (LODR) Regulations, 2015 and in accordance with best practices in corporate governance, our Board of Directors functions either as a full board or through management which provides our Board of Directors detailed reports on its performance periodically.

Currently our Board has 8 Directors, of which the Chairman of the Board is an Executive Director. In compliance with the requirements of the SEBI (LODR) Regulations, 2015, we have 4 Executive Directors and 4 Independent Directors on our Board.

I. Committees of the Board in accordance with the SEBI (LODR) Regulations, 2015

Audit Committee

Audit Committee was reconstituted and terms of reference, role of the Audit Committee and the constitution were modified vide Board Resolution dated May 29, 2017. The existing Audit Committee of our Company comprises of the following: -

- (i) Mr. Sudhir Maheshwari – Chairperson;
- (ii) Dr. Shyam Agrawal – Member; and
- (iii) Mr. Kirit G. Patel – Member;

The Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings of the Audit Committee.

The role of the Audit Committee shall be in accordance with section 177 of the Companies Act, 2013 and as per Regulation 18 and Part C of Schedule II of SEBI (LODR) Regulations, 2015. The role of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for the appointment, remuneration and terms of appointment of auditors of our Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of our Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of our Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well

as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted and terms of reference was modified vide Board Resolution dated May 29, 2017. The members of the Nomination and Remuneration Committee are:-

- (i) Mr. Sanjiv Srivastava – Chairperson;
- (ii) Mr. Sudhir Maheshwari – Member; and
- (iii) Ms. Chaitali Parikh – Member.

The role of the Nomination and Remuneration shall be in accordance with Section 178 of the Companies Act 2013 and as per Regulation 19 and Part D of Schedule II of SEBI (LODR) Regulations, 2015 as follows:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of independent directors and the Board;
- c) devising a policy on diversity of the Board;
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f) devising a policy on Employee Stock Option Scheme and ensuring proper implementation as per scope provided in the Employee Stock Option Scheme.

IPO Committee

IPO Committee was constituted vide Board Resolution dated May 29, 2017. The members of the IPO Committee are:-

- (i) Mr. Kirit G. Patel– Chairperson;
- (ii) Mr. Ramakant Patel – Member;
- (iii) Mr. Karshanbhai Patel – Member;
- (iv) Mr. Kanubhai Patel – Member; and
- (v) Ms. Chaitali Parikh - Member
- (vi) Mr. Uttambhai Patel - Secretary

IPO Committee is authorized to take decisions with regard to IPO as it may, in its absolute discretion deem fit and proper in the interest of the Company including the appointment of merchant bankers, lawyers, registrar and other agencies as may be required for the purpose of IPO and the minutes of the Committee be placed to the Board for information, from time to time.

Stakeholders Relationship Committee

Stakeholders Relationship Committee was constituted vide the Board meeting held on May 29, 2017. The members of the Stakeholders Relationship Committee are:

- (i) Ms. Chaitali Parikh – Chairperson;
- (ii) Mr. Sudhir Maheshwari – Member;
- (iii) Mr. Ramakant Patel – Member.

The frequency of meetings of Stakeholders Relationship Committee is at least twice in a year. The quorum of the meetings of the Stakeholders Relationship Committee is either two members or one third of the members whichever is greater, but with a minimum of two independent members present. The role of the Stakeholders Relationship Committee shall be in accordance with Section 178 of the Companies Act, 2013 and as per Regulation 20 and Part D of Schedule II of the SEBI (LODR) Regulations, 2015 and is as follows:-

- The Committee shall consider and resolve the grievances of the security holders of our Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Corporate Social Responsibility Committee

Our Board of Directors at their meeting held on April 1, 2017 had constituted the Corporate Social Responsibility Committee and it is in compliance with the SEBI (LODR) Regulations, 2015 and subsequently reconstituted on August 24, 2017. The members of the Corporate Social Responsibility Committee are:

- (i) Mr. Ramakant Patel– Chairperson;
- (ii) Mr. Karshanbhai Patel – Member;
- (iii) Mr. Kanubhai Patel – Member; and
- (iv) Mr. Sanjiv Srivastava – Member

The terms of reference of the Corporate Social Responsibility Committee shall be in accordance with Section 135 of the Companies Act, 2013 and is as follows:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the schedule VII of the Companies Act, 2013;

- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time; and
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum of the CSR Committee Meeting shall be one –third of its total strength (any fraction contained in the one-third be rounded off as one.) or two members, whichever is higher. Company Secretary to the Company shall act as a Secretary to the CSR Committee.

Our Company has adopted the following policies:

1. Corporate Social Responsibility Policy;
2. Whistle Blower Policy;
3. Nomination and Remuneration Policy;
4. Policy on Material Subsidiaries;
5. Prevention and Archival Policy;
6. Policy on Related Party Transactions;
7. Risk Management Policy;
8. Code of Conduct;
9. Board Diversity Policy;
10. Policy for Determining Material Events and Information; and
11. Policy for Prevention of Sexual Harassment.

Key Managerial Personnel

Given below are the details of our Key Managerial Personnel, other than the Managing Director of our Company, as on the date of this Red Herring Prospectus. For details of our Managing Director, please see page 170 appearing in the chapter titled “Our Management” beginning on page 167 of this RHP.

- Mr. Parth Patel**, aged 26 years is the Chief Financial Officer of our Company. He has obtained a degree of Bachelor of Commerce from Gujarat University. He is a member of Institute of Chartered Accountants of India and has an experience of above 4 years. Prior to joining our Company as Chief Financial Officer, he rendered professional service to our Company through his partnership firm, M/s. Manan Rajdev & Company, from December 2012 to May, 2017. He joined our Company on May 29, 2017. As the Chief Financial Officer of our Company, he is inter-alia responsible for formulating and implementing revenue and capital budget plans for the business, conduct monthly appraisal of actual performance vis-à-vis forecast, review the draft balance sheet and profit and loss statement, negotiate for buyers credit and audit of export related documents of export under Letter of Credit. He was appointed Chief Financial Officer on May 29, 2017 and has therefore, not received any compensation for the Financial Year 2016-17.
- Mr. Uttambhai Patel**, aged 25 years is the Company Secretary and Compliance Officer of our Company. He has obtained a degree of Master of Commerce from the Hemchandracharya North Gujarat University, Patan. Prior to joining our Company, he worked with M/s. Pinakin Shah and Company, Ahmedabad. He is a qualified Company Secretary from the Institute of Company Secretaries of India and has joined our Company on January 18, 2016. His gross remuneration in the Financial Year 2016-17 was ₹ 2,56,000/-.
- Mr. Bipinkumar Patel**, aged 46 years, is Vice President – Finance and Accounts. He has received qualification for his Master’s degree in Commerce from North Gujarat University, Patan, and has more than 9 years of experience in the finance industry. He has been associated with our Company since April, 2011 as an Account Head and was eventually appointed as a Chief Financial Officer from February 20, 2015 to May 23, 2017. Prior to joining our Company, he was a Director in Samay Tiles Limited from February, 2006 to December, 2009. As Vice President –Finance and Accounts of our Company, he oversees the finance department of the Company. His gross remuneration in Financial Year 2016-17 was ₹ 6,00,000/-.

- (iv) **Mr. Shakti Bhargava**, aged 50 years, is our Vice President - Marketing. He has received qualification for his Bachelor's degree in Commerce from University of Rajasthan. He joined our Company on November 19, 2012 as General Manager Marketing. He has over 10 years of work experience. Prior to joining our Company, he has worked with Rollatainers Limited and Ruchira Papers. As the Vice President - Marketing, he is responsible for streamlining systems and processes and identifying new growth avenues for our Company. He also spearheads sales and marketing function and is actively involved in Human Resource development activities. His gross remuneration in Fiscal 2016 was ₹ 7,81,188/-.
- (v) **Mr. Dharmendra Singh**, aged 43 years is the Vice President- Production of our Company. He has obtained a bachelor's degree in Science from Ruhilkhand University, Bareilly. Prior to joining our Company, he has worked with Khatema Fibres Limited, Mansarovar Paper & Industries Limited, Krishna Tissues Private Limited, Magnum Ventures Limited. He joined our Company on December 15, 2015. As the Chief Vice President- Production of our Company, he is responsible for the entire operations of the manufacturing plant of the Company. His gross remuneration in Fiscal 2016 was ₹ 17,19,000/-.

Notes:

1. All the key managerial personnel mentioned above are permanent employees of our Company and none of them are related to each other or to any Director of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the abovementioned personnel have been recruited.
3. As on the date of filing of this RHP, our Company does not have a performance linked bonus or a profit sharing plan with the key management personnel, except availment of bonus as per 8.33% of basic salary.
4. No non-salary-related payments or benefits have been made to our key management personnel other than (i) the shares issued by way of employee stock options and (ii) certain performance-linked incentives which were paid by the Company in the past, to its key managerial personnel based on targets achieved and general performance.

Shareholding of Key Managerial Personnel

Other than the following, none of our Key Management Personnel holds Equity Shares in our Company as on the date of filing of this RHP: -

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of ₹ 10 each)	Percentage of pre-Issue share capital (%)
1.	Mr. Kirit G. Patel	66,99,650	20.61
2.	Mr. Bipinkumar Patel	3,25,000	1.00
Total		70,24,650	21.61

Changes in the Key Managerial Personnel during last three years:

Following have been the changes in the key managerial personnel during the last three years:

Sr. No.	Name	Designation	Date of Appointment/ change	Date of Leaving	Reasons
1.	Mr. Parth Patel	Chief Financial Officer	May, 29, 2017	-	Appointment

Sr. No.	Name	Designation	Date of Appointment/ change	Date of Leaving	Reasons
2.	Mr. Bipinkumar Patel	Vice President- Finance and Accounts	<i>Appointment as CFO:</i> February 20, 2015 <i>Change:</i> May 23, 2017	-	Designation changed to Vice President- Finance and Accounts
3.	Mr. Shakti Bhargava	Vice President - Marketing	<i>Appointment:</i> November 19, 2012 <i>Change:</i> April 1, 2016	-	Designation changed to Vice President Marketing
4.	Mr. Uttambhai Patel	Company Secretary and Compliance Officer	January 18, 2016	-	Appointment
5.	Mr. Dharmendra Singh	Vice President - Production	December 15, 2015	-	Appointment
6.	Ms. Priya Nakrani	Company Secretary	April 28, 2015	January 18, 2016	Resignation

Interests of Key Managerial Personnel

Our Key Managerial Personnel are interested to the extent of remuneration paid to them by our Company and to the extent of their shareholding in our Company.

Employees

As on the date of this RHP, we have 232 employees. Further, we appoint contract labours from time to time depending upon the requirement of our Company.

Payment or benefit to our officers

Except for the payment of monetary and non-monetary benefits as mentioned in this RHP and the dividend, if any, that may have been declared on the Equity Shares held by our officers, we have not paid any amount or given any benefit to any officer of our Company, nor is such amount or benefit intended to be paid or given to any officer as on the date of filing this RHP.

OUR PROMOTERS AND PROMOTER GROUP

Details of our Individual Promoters:

The following are the Individual Promoters of our Company:

	<p>Mr. Kirit G. Patel, aged 44 years, is the Promoter, Chairman and Managing Director of our Company. He has been on the Board of Directors of our Company since its incorporation. He holds a Bachelor's degree in Commerce from Gujarat University. He has over 2 (two) decades of work experience in the trading and paper packaging industry by virtue of being the proprietor of M/s. Mitul Enterprises, which was engaged in the business of paper packaging, from 1997 onwards till 2015. He is currently responsible for the management of the entire operations of the Company, including strategic initiatives of our business. For further details, please refer to the chapter titled "Our Management" beginning on page 167 of this RHP.</p> <p>Passport No: Z3520816 Driving Licence: GJ01 19990028697 Voter Id No.: UHH3009727 DIN: 03353684</p>
	<p>Mr. Ramakant Patel, aged 51 years, is the Promoter and Executive Director of our Company. He has been on the Board of Directors of our Company since its incorporation. He has over two decades of work experience in packaging and paper industry. Prior to joining our Company, he was a Promoter and Director of Shreenath Packaging Private Limited from July, 1995 to January, 2006. Subsequently, he joined Shreerangam Packaging Private Limited as a Director in January, 2006 and continues to be a director till date. He currently looks after the marketing strategies of the Company. For further details, please refer to the chapter titled "Our Management" beginning on page 167 of this RHP.</p> <p>Passport No: L3368373 Driving Licence: GJ0 19860068263 Voter Id No.: LPZ5233366 DIN: 00233423</p>
	<p>Mr. Karshanbhai Patel, aged 64 years, is the Promoter and Executive Director of our Company. He has been on the Board of Directors of our Company since its incorporation. He has approximately 6 years of experience in the industry in which the Company operates. Presently, he is also a Director at Specific Ceramics Limited and Pokar Agrotech Private Limited. For further details, please refer to the chapter titled "Our Management" beginning on page 167 of this RHP.</p> <p>Passport No: J0326257 Driving Licence: GJ09 20100008430 Voter Id No.: GJ/15/105126417 DIN: 00048167</p>

We confirm that the permanent account number, bank account details and passport number of our promoters was submitted to the Stock Exchanges, at the time of filing the RHP with them.

Details of our Corporate Promoter

ASIAN GRANITO INDIA LIMITED

Corporate Information

Asian Granito India Limited (“**Asian Granito**”) was incorporated on August 8, 1995, as Karnavati Fincap Private Limited. On August 29, 1995, it became a public limited company and was renamed as Karnavati Fincap Limited. Thereafter, on March 18, 1999, it was renamed as Panchariya Textile Industries Limited. Subsequently, on July 28, 2000, it was renamed as Vasudev Textile Industries Limited. Thereafter, on November 25, 2002, it received a fresh certificate of incorporation consequent upon change of its name to Asian Granito India Limited. The registered office of Asian Granito is 202, Dev Arc Opposite Iskon Tample, Ahmedabad- 380059, Gujarat, India.

In terms of its memorandum of association, the main objects of Asian Granito are inter alia, to carry on in India To carry on in India or elsewhere in the world with or without collaboration the business to manufacturer, prepare, process, crush, cut, clean, blend, mix, excavate, pack, repack, design, store, paint, sell, purchase, trade, market, import, export, to act as manufacturer representatives and otherwise deal in tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, skirtings, china tiles and ceramic products.

Asian Granito was not the original promoter of our Company, and initially acquired shares in our Company on May 2011, it currently holds 87,75,000 Equity Shares of our Company, which constitutes 27% of our pre-Issue paid-up capital. For details of build-up of Asian Granito’s shareholding in our Company, please see “Capital Structure-Notes to capital Structure” on page 81 of this RHP. Further, we confirm that compliance with SEBI (SAST) Regulations and Listing Agreements was not applicable since shares of our Company were not listed on any Stock Exchange in India at the time of purchase.

The CIN or corporate identification number of Asian Granito is L17110GJ995PLC027025.

Presently, Asian Granito is involved in the business of dealing in Ceramic Tiles, Vitrified Tiles, Grestek, Marble and Quartz and related products.

Asian Granito’s equity shares have been listed on the BSE and the NSE since August 23, 2007.

Changes in the management and control

There has been no change in the management and control of Asian Granito in the three years preceding the date of the Red Herring Prospectus.

Board of directors

As on the date of this Red Herring Prospectus, the board of directors of Asian Granito comprises:

1. Mr. Kamleshbhai Patel
2. Mr. Mukeshbhai Patel
3. Mr. Sureshbhai Patel
4. Mr. Bhaveshbhai Patel
5. Mr. Bhogilal Patel
6. Mr. Kanubhai Patel
7. Dr. Indira Nityanandam
8. Mr. Ajendrakumar Patel
9. Mr. Amrutbhai Patel

10. Mr. Premjibhai Choudhary
11. Mr. Hemendrakumar Shah
12. Dr. Satish Deodhar

None of the Directors of Asian Granito hold equity shares in our Company

Promoters of Asian Granito:

1. Mr. Kamleshbhai. Patel;
2. Mr. Mukeshbhai. Patel;
3. Mr. Hasmukhbhai Patel; and
4. Mr. Rameshbhai Patel

Shareholding Pattern

Set forth below, is the shareholding pattern of Asian Granito as on September 30, 2017:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								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)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V) + (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	26	9724957	0	0	9724957	32.32	9724957	0	9724957	32.32	0	32.32	0	0.0000	0	0.0000	9724957
(B)	Public	13984	20362489	0	0	20362489	67.68	20362489	0	20362489	67.68	0	67.68	0	0.0000	NA	NA	20362489
(C)	Non Promoter - Non Public				0				0			0			0.0000	NA	NA	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Total	14010	30087446	0	0	30087446	100.0000	30087446	0	30087446	100.0000	0	100.0000	0	0.0000	0	0.0000	30087446

Financial Information

Standalone Audited Financial Information	For The Year Ended (Rs. in Million, except per share data)		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Capital	3,00.87	2,25.82	2,25.82
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	3,273.62	3,012.11	2718.14
Net worth	3,574.50	3,312.99	2943.97
Income including other income	9,498.81	8,739.95	8241.85
Profit/ (Loss) after tax	279.62	189.32	144.67
Earnings per share (face value of Rs. 10.00 each)	9.29	6.71	6.41
Net asset value per share (Rs.)	118.80	146.71	130.37

Other confirmations:

Our Company confirms that the PAN, bank account number, the company registration number and address of the RoC where Asian Granito is registered was submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Interest of Promoters

Nature and extent of interest of our Promoters in our Company:

S. No.	Name	Number of Equity Shares held in our Company	%age of Shareholding in our Company
1.	Asian Granito India Limited	87,75,000	27.00
2.	Mr. Kirit G. Patel	66,99,650	20.61
3.	Mr. Ramakant Patel	11,82,900	3.64
4.	Mr. Karshanbhai Patel	35,75,000	11.00
	Total	2,02,32,550	62.25

Our individual Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration, commission and reimbursement of expenses payable to them as per the terms of the Articles of our Company and relevant provisions of Companies Act. Our individual Promoters may also be deemed to be interested to the extent of Equity Shares held by them in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company.

Further, our individual Promoters, namely Mr. Kirit G. Patel, Mr. Ramakant Patel and Mr. Karshanbhai Patel have given personal guarantees, respectively, towards financial facilities availed from Bankers to our Company; therefore, are interested to the extent of the said guarantees. Further, they have also extended unsecured loans amounting to ₹25.03 Million as on September 30, 2017 and are therefore, interested to the extent of the said loans.

For further information, please refer to the details under the heading “Our Management – Interest of Directors” on page 172.

Our body corporate Promoter, Asian Granito is interested in our Company to the extent it has promoted our Company and to the extent of its shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by it. For details regarding the shareholding of our Promoter in our Company, see

“Capital Structure” on page 80.

Further, Asian Granito has also extended unsecured loans amounting to ₹ 52.72 Million as on September 30, 2017 and is therefore, interested to the extent of the said loans.

Except as stated under the heading “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53, respectively, of this RHP, and described in this RHP, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this RHP in which the 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 including the properties purchased by our Company.

Further, our Promoters and certain members of our Promoter Group are also directors on the boards of certain Group Companies and they may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Group Companies. For the payments that are made by our Company to certain Group Companies, see “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53 of this RHP.

Payment or benefits to our Promoters in the last two years

Except as mentioned above under the heading “Interest of Promoters” and in the sections titled “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on pages and F-53 respectively of this RHP, no amount or benefits were paid or were intended to be paid to our Promoters during the last two years from the date of filing of this RHP.

Common Pursuits

Other than as disclosed in the chapter titled “Our Group Companies” beginning on page 189 of this RHP, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when it arises.

Companies with which our Promoters have disassociated in the last three years

Except as disclosed below, none of our Promoters have disassociated themselves from any companies, firms or other entities during the last three years preceding the date of the RHP:

Mr. Kirit G. Patel has disassociated himself from Mitul Tradelink Private Limited by resigning from the company on February 15, 2015 and by selling his entire shareholding in Mitul Tradelink Private Limited to certain other third party entities.

Mr. Ramakant Patel has disassociated himself from Mitul Tradelink Private Limited by resigning from the company on February 15, 2015

Related Party Transactions

For details of related party transactions entered into by our Company during the preceding two years from the date of this Red Herring Prospectus, the nature and the cumulative value of such transactions, please see “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53 of the RHP.

Change in Management and control of our Company

There was no change in management of our Company during five years immediately preceding the date of filing of this RHP.

Promoter Group

Our Promoter Group as defined under Regulations 2(zb)(iv) of the SEBI Regulations includes the following individuals and body corporates:

(i) Natural Persons

(a) Mr. Kirit G. Patel

The following natural persons form part of our Promoter Group as relatives of Mr. Kirit G. Patel:-

Name	Relationship
Ghanshyambhai Patel	Father
Jyotsanaben Patel	Wife
Bhavanaben Patel	Sister
Mitul Patel	Son
Krupalben Patel	Daughter
Dharmendrabhai Patel	Wife's Brother
Shantibhai C. Patel	Wife's Father
Champaben Patel	Wife's Mother

(b) Mr. Ramakant Patel

The following natural persons form part of our Promoter Group as relatives of Mr. Ramakant Patel: -

Name	Relationship
Kapilaben Patel	Mother
Kalpanaben Patel	Wife
Tarulataben Patel	Sister
Nimishaben Patel	Sister
Harshbhai Patel	Son
Kailashben Patel	Wife's Sister
Vinaybhai Patel	Wife's Brother
Hareshbhai Patel	Wife's Brother
Ambalal Patel	Wife's Father
Savitaben Patel	Wife's Mother

(c) Mr. Karshanbhai Patel

The following natural persons form part of our Promoter Group as relatives of Mr. Karshanbhai Patel: -

Name	Relationship
Taraben Patel	Wife
Bhikhiben Patel	Sister
Mayaben Patel	Daughter
Pravinaben Patel	Daughter
Chetanaben Patel	Daughter
Rohitkumar Patel	Son
Rajendrakumar Patel	Son
Kailashben Patel	Wife's Sister
Amrutbhai Patel	Wife's Brother
Kantibhai Patel	Wife's Brother

(ii) Body Corporates:

Following are the Promoter Group entities:

- (i) Pokar Agrotech Private Limited;
- (ii) ABAJ Electronics Private Limited;
- (iii) ABAJ Technologies Private Limited;
- (iv) ABAJ Digital Ventures Private Limited;
- (v) Shreerangam Packaging Private Limited;
- (vi) Kiritbhai Ghanshyambhai Patel HUF;
- (vii) Dharmendra S. Patel HUF;
- (viii) Shaileshkumar Bhagvandas Patel HUF;
- (ix) Karshanbhai Hirabhai Patel HUF;
- (x) Rajendrakumar Karshanbhai Patel HUF;
- (xi) Rohitkumar Karshanbhai Patel HUF;
- (xii) Vinay Ambalal Patel HUF;
- (xiii) Kiritkumar Amrutlal Patel HUF;
- (xiv) Ramakant Kantilal Patel HUF
- (xv) M/s. Sarathi Agrotech;
- (xvi) M/s. Krupal Trading Company;
- (xvii) M/s. Jyoti Industries;
- (xviii) M/s. Krishna Builders;
- (xix) M/s Shreeji Industries;
- (xx) AGL Industries Limited;
- (xxi) Amazoone Ceramics Limited;
- (xxii) Crystal Ceramic Industries Private Limited;
- (xxiii) Powergrace Industries Limited; and
- (xxiv) AGL Panaria Private Limited.

The Promoter Group of our Company does not include Mr. Jagdishbhai Kantibhai Patel who is the brother of our Promoter, Mr. Ramakant Patel; or any entity in which Mr. Jagdishbhai Kantibhai Patel may have interest since he has refused to provide any information pertaining to himself and other entities he may have interest.

Other Confirmations:

None of our Promoters and members of promoter group are Willful Defaulters and there are no violations of Securities Law committed by our Promoters in past or pending against them.

None of the Promoters, Promoter Group entities or Group Companies have been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Issue against our Promoters, except as disclosed under the chapter titled “Outstanding Litigation and Material Developments” beginning on page 218

of this RHP.

OUR GROUP COMPANIES

As per the requirements of SEBI Regulations, for the purpose of identification of 'Group Companies', our Company has considered those companies as Group Companies, which are included in the list of related parties of the Company, under Accounting Standard 18 or other companies as considered material by our Board. Pursuant to a resolution of our Board dated May 1, 2017, for the purpose of disclosure in offer documents for the Issue, a company shall be considered material and disclosed as a 'Group Company' if (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the net worth of our Company for the last audited financial year; (ii) where our Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total revenue of our Company for the last audited financial year; and (iii) any other company which the Board may decide.

For avoidance of doubt, it is clarified that Asian Granito India Limited, which is our Promoter, has not been considered as Group Company for the purpose of disclosure in this Red Herring Prospectus.

Based on the above, the following are the Group Companies:

- 1 Specific Ceramics Limited; and
- 2 Shreerangam Packaging Private Limited

Following are the details of our unlisted Group Companies:

1. Specific Ceramics Limited

Corporate Information:

Specific Ceramics Limited was incorporated on April 10, 1996 under the provisions of Companies Act, 1956. Its registered office is situated at C-601-602, Part- C, C Tower Indraprasth Complex, Thaltej Road, Ahmedabad, Gujarat, India- 380052. The Corporate Identification Number is U26933GJ1996PLC029291.

In terms of its Memorandum of Association, it is, inter-alia, carrying on the business manufactures, Manufacturers representatives, dealers, traders, suppliers, stockiest, exporters, importers, factors, agents, consignors and consignees of all classes kinds, types and nature of:

1. Ceramic parts used in machineries including tower packing items,
2. Sanitary wares, wash basin, traps, tub, bath tub and related items of sanitary ware;
3. Ceramic glaze wall, floor, decorative and ceiling tiles,
4. Ceramic, china and porcelain wares such as insulator, bricks, trays, crockery, glass, toys and machinery parts,
5. Earthen wares, stone wares, pottery wares, glass wares, crockery wares, ceramic stains and ceramic decorative,
6. Porcelin wares, stelite, china wares and all other ceramic glazed and unglazed items in pottery wares.

Interest of Promoters:

Our Promoter, Karshanbhai Patel holds 1,54,200 equity shares of ₹10/- each, aggregating to 2.50% of the issued, subscribed and paid up share capital of Specific Ceramics Limited. Further, Karshanbhai Hirabhai Patel HUF also holds 53,075 equity shares of ₹10/- each aggregating to 0.86% of the issued, subscribed and paid up share capital of Specific Ceramics Limited. In addition, Kiritbhai G. Patel HUF holds 16250 equity shares of ₹10/- each aggregating to 0.26% of the issued, subscribed and paid up share capital of Specific Ceramics Limited.

Audited Financial information:

(₹ in Million)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016	Year Ending March 31, 2015
Authorised Capital.	62.50	62.50	62.50
Paid-up Equity Capital.	61.71	61.71	61.71
Reserves & Surplus.	320.16	300.00	273.65
Sales/Income.	404.15	473.31	572.51
Profit/(Loss) after tax.	21.86	26.96	33.68
Earnings per share (₹).	3.54	4.37	5.46
Net Asset Value per equity share (₹).	61.88	58.62	54.35

Loss making entity:

Shreerangam Packaging Private Limited

Corporate Information:

Shreerangam Packaging Private Limited was incorporated on September 4, 1991 under the provisions of Companies Act, 1956. Its registered office is situated at “JBR Arcade 7” 2nd Floor, Opp. Satyam Complex, Nr. R.K. Royal Hall, Science City Road, Sola Ahmedabad, Gujarat- 380060, India. The Corporate Identification Number is U74950GJ1991PTC016215.

In terms of its Memorandum of Association, it is, *inter-alia*, carrying on the business of manufacturing of corrugated boxes.

Interest of Promoters:

Our Promoter, Ramakant Patel holds 1,94,733 equity shares of ₹10/-, aggregating to 26.65% of the issued and paid up share capital of Shreerangam Packaging Private Limited. Further, the Ramakant Kantilal Patel HUF also holds 10,600 equity shares of Rs 10/- each aggregating to 1.45% of the issued and paid up share capital of Shreerangam Packaging Private Limited. Our Promoter, Ramakant Patel is also a director in Shreerangam Packaging Private Limited and may be deemed to be interested in Shreerangam Packaging Private Limited to that extent.

Audited Financial information:

(₹ in Million)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016	Year Ending March 31, 2015
Authorised Capital	15.00	15.00	15.00
Paid-up Equity Capital.	7.31	7.31	7.31
Reserves & Surplus.	25.90	19.47	26.65
Net Asset Value per equity share (₹).	45.44	36.65	46.46

Related Party Transactions

For details on related party transactions please refer to “Financial Statements, as restated – Annexure XXXIX – Restated Statement of Related Parties Transactions” on page F-53 of this RHP.

Other disclosures:

Except as disclosed in this chapter, 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 the DRHP with SEBI.

None of our Group Companies are under any winding up proceedings.

None of our Group Companies have taken any unsecured loans from our Company.

None of our Group Companies are listed on any of the Stock Exchanges and they have not made any public/rights issue in last five years. Further, no action has been taken against these companies by any Stock Exchange or SEBI.

Companies with negative net worth

None of our Group Companies have negative Net Worth as per the last audited financial statements mentioned herein.

Nature and Extent of Interest of Group Companies

(a) *In the promotion of our Company*

None of our Group Companies have any interest in the promotion of our Company.

(b) *In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the DRHP with SEBI*

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the DRHP with SEBI.

(c) *Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company*

For details, please see “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53 of this RHP.

(d) *Unsecured Loans extended to our Company*

In addition to the above, one of our Group Companies, Shreerangam Packaging Private Limited, has extended unsecured loans amounting to ₹10.93 Million to our Company, as of November 14, 2017 and a part of the Net Proceeds to the Issue will be utilized towards repayment of the same. Accordingly, Shreerangam Packaging Private Limited may be interested in our Company to that extent. For further details, please refer to the chapters titled “Objects of Issue” and “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53.

Common Pursuits amongst the Group Companies with our Company

The Group Companies do not have interest in any venture that is involved in any activities similar to those conducted by our Company. Our Group Company, Shreerangam Packaging Private Limited has some of the objects similar to that of our Company’s business. As on the date of filing of the RHP, the aforesaid entity is not carrying any business competing with that of our Company.

Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises.

Sale/Purchase between Group Companies and Subsidiaries exceeding in value in aggregate of 10% of total sales or purchases of our Company

For details please refer to “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53 of this RHP.

Payment of Amount or Benefits to our Group Companies during the Last Two Years

Except as stated in “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53 of this RHP, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this RHP.

Business Interest of Group Entities

Other than as stated above and as mentioned in “*Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53 of this RHP, none of our Group Entities have any business interest in our Company.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. In addition, our ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restrictions, restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects. Our Company has no formal dividend policy. Our Company has not declared dividends during the last five Fiscals. For further details, please refer to chapter titled “*Financial Statements, as restated*” in the section titled “Financial Information” beginning on page 194 of this RHP. Our Company may also, from time to time, pay interim dividends.

SECTION VI - FINANCIAL INFORMATION

FINANCIAL STATEMENTS, AS RESTATED

S. No.	Details	Page No.
1.	Financial Information, as restated	F-1
2.	Special Purpose Interim Condensed Ind AS Financial Statements for the six months ended September 30, 2017	F-71

S.N. SHAH & ASSOCIATES

Chartered Accountants

S.N. Shah

B.Com., LL.B., F.C.A., DISA(ICA)

Firoj G. Bodla B.Com , F.C.A.

Priyam S. Shah B. Com., F.C.A.

Palak K. Patel B. Com., F.C.A.

Kaivan R. Parekh B. Com., A.C.A.

"SAPAN HOUSE", 10-B Government Servant
CO-Operative Society,
Opp. Municipal Market,
C.G. Road,
Ahmedabad - 380 009
Phone: 079-40098280

INDEPENDENT AUDITORS' REPORT ON THE RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017, MARCH 31, 2017, 2016, 2015, 2014 AND 2013 AND STATEMENT OF PROFITS AND LOSSES AND CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2017 AND FOR THE FINANCIAL YEARS ENDED ON MARCH 31, 2017, 2016, 2015, 2014 AND 2013 OF ASTRON PAPER & BOARD MILL LIMITED (COLLECTIVELY "RESTATED SUMMARY FINANCIAL STATEMENTS")

To,
The Board of Directors,
ASTRON PAPER & BOARD MILL LIMITED
D-702, SEVENTH FLOOR GANESH MERIDEN,
OPP:- HIGH COURT, S.G.HIGHWAY,
AHMEDABAD, GUJARAT -380060.

Dear Sirs,

1. We have examined the attached Restated Summary Financial Statements of **Astron Paper & Board Mill Limited** (hereinafter referred to as "**the Company**") as at September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and for the six months period ended September 30, 2017 and for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 annexed to this report for the purpose of inclusion in the offer document, prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). The Restated Summary Financial Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
 - a. sub clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 (the "Act"), read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such Restated Summary Financial Statements taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated August 24, 2017, requesting us to carry our work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and
 - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

Restated Summary Financial Statements as per Audited Financial Statements:

3. The Restated Summary Financial Statements has been compiled by the management from:

- a. the audited financial statements of the Company as at September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and for each of the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on 6th November, 2017, May 1, 2017, August 8, 2016, May 7, 2015, August 8, 2014 and June 25, 2013 respectively.
4. For the purpose of our examination, we have relied on:
 - a. Auditor's report issued by us dated November 6, 2017, on the financial statements of the Company as at September 30 and for the six months period ended September 30, 2017 as referred to in paragraph 3(a) above; and
 - b. Auditor's report issued by SNDK and Associates, Chartered Accountants dated May 1, 2017 & August 8, 2016 respectively, on the financial statements of the Company as at March 31, 2017 and March 31, 2016 and for the financial year ended March 31, 2017 and March 31, 2016 as referred to in paragraph 3(a) above; Further financial statements for the financial year ended on March 31, 2017 have been reaudited by us as per the relevant guidelines and
 - c. Auditor's report issued by us dated May 7, 2015, August 8, 2014 and June 25, 2013, respectively, on the financial statements of the Company as at March 31, 2015, March 31, 2014 and March 31, 2013 and for the financial year ended March 31, 2015, March 31, 2014 and March 31, 2013 as referred to in paragraph 3(a) above.
5. In accordance with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that, read with paragraph 3 and 4 above, we have examined the Restated Summary Financial Statements as at September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and for the six months ended September 30, 2017 & for the financial year ended March 31, 2017, 2016, 2015, 2014 and 2013 as set out in Annexures I to III.
6. Based on our examination and the audited financial statements of the Company as at and for the six months period ended September 30, 2017 and for each of the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 as stated in Para 3(a) above, and the reliance placed on the reports of the auditors referred to in para 4(a) above, we report that:
 - a. The Restated Summary Financial Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in notes appearing in Annexure IV and Annexure V of this report;
 - b. The accounting policies as at and for the six months period ended September 30, 2017 and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 are materially consistent with across the respective years and accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
 - c. Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached Restated Summary Financial Statements;
 - d. There are no extraordinary items which need to be disclosed separately in the Restated Summary Financial Statements;
 - e. There are no qualifications in the auditors' reports on the financial statements of the Company as at and for the six monthd period ended September 30, 2017 and for each of the financial year ended March 31, 2017, 2016, 2015, 2014 and 2013, which require any adjustments to the Restated Summary Financial Statements;
 - f. Other emphasis of matter included in the statutory auditor's reports for the six months period ended September 30, 2017 and for the financial year ended March 31, 2017 and March 31, 2016 and other audit qualifications in the auditor's reports issued under the Companies (Auditor's Report) Order 2016, 2015 and 2003 (as amended), respectively on the financial statements as at and for the each of the financial year ended March 31, 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustment in the Restated Summary

Financial Statements, have been disclosed in Annexure IV B to the Restated Summary Financial Statements.

7. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to September 30, 2017 and accordingly we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2017.

Other Financial Information

8. At the Company's request, we have also examined the following financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for six months period ended September 30, 2017 and for each of the financial year ended March 31, 2017, 2016, 2015, 2014 and 2013.

Annexure to Restated Summary Financial Statements of the Company:-

- i. Restated Statement of Share Capital, enclosed as ANNEXURE VI to this report;
- ii. Restated Statement of Reserves and Surplus, enclosed as ANNEXURE VII to this report;
- iii. Restated Statement of Long Term Borrowings, enclosed as ANNEXURE VIII to this report;
- iv. Restated Statement of Deferred Tax Liabilities, enclosed as ANNEXURE IX to this report;
- v. Restated Statement of Other Long Term Liabilities, enclosed as ANNEXURE X to this report;
- vi. Restated Statement of Long Term Provisions, enclosed as ANNEXURE XI to this report;
- vii. Restated Statement of Short Term Borrowings, enclosed as ANNEXURE XII to this report;
- viii. Restated Statement of Trade Payables, enclosed as ANNEXURE XIII to this report;
- ix. Restated Statement of Other Current Liabilities, enclosed as ANNEXURE XIV to this report;
- x. Restated Statement of Short Term Provisions, enclosed as ANNEXURE XV to this report;
- xi. Restated Statement of Fixed Assets, enclosed as ANNEXURE XVI to this report;
- xii. Restated Statement of Non-Current Investments, enclosed as ANNEXURE XVII to this report;
- xiii. Restated Statement of Long Term Loans & Advances, enclosed as ANNEXURE XVIII to this report;
- xiv. Restated Statement of Current Investments, enclosed as ANNEXURE XIX to this report;
- xv. Restated Statement of Inventories, enclosed as ANNEXURE XX to this report;
- xvi. Restated Statement of Trade Receivables, enclosed as ANNEXURE XXI to this report;
- xvii. Restated Statement of Cash and Cash Equivalents, enclosed as ANNEXURE XXII to this report;
- xviii. Restated Statement of Short Term Loans & Advances, enclosed as ANNEXURE XXIII to this report;
- xix. Restated Statement of Other Current Assets, enclosed as ANNEXURE XXIV to this report;
- xx. Restated Statement of Revenue from Operations, enclosed as ANNEXURE XXV to this report;
- xxi. Restated Statement of Other Income, enclosed as ANNEXURE XXVI to this report;
- xxii. Restated Statement of Cost of Raw Materials Consumed, enclosed as ANNEXURE XXVII to this report;
- xxiii. Restated Statement of Purchase of Stock in Trade, enclosed as ANNEXURE XXVIII to this report;
- xxiv. Restated Statement of Changes in Inventories of Finished Goods, Traded Goods and Work-in-progress, enclosed as ANNEXURE XXIX to this report;
- xxv. Restated Statement of Employee Benefit Expenses, enclosed as ANNEXURE XXX to this report;
- xxvi. Restated Statement of Finance Costs, enclosed as ANNEXURE XXXI to this report;
- xxvii. Restated Statement of Depreciation and Amortization Expense, enclosed as ANNEXURE XXXII to this report;
- xxviii. Restated Statement of Other Expenses, enclosed as ANNEXURE XXXIII to this report;
- xxix. Restated Statement of Related Parties Transactions, enclosed as ANNEXURE XXXIV to this report;
- xxx. Restated Statement of Significant Accounting Ratios, enclosed as ANNEXURE XXXV to this report;
- xxxi. Capitalization Statement as at September 30, 2017, enclosed as ANNEXURE XXXVI to this report;
- xxxii. Restated Statement of Tax Shelters, enclosed as ANNEXURE XXXVII to this report;
- xxxiii. Restated Statement of Contingent Liabilities, enclosed as ANNEXURE XXXVIII to this report;

9. In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure V and after making adjustments and regroupings as considered appropriate and disclosed in Annexure IVA & IVC, have been prepared in accordance with the relevant provisions of the Act and the Regulations.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or 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 herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not be used, referred to or distributed for any other purpose except with our consent in writing.

**For, S.N. SHAH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO.: 109782W**

**FIROJ G. BODLA
PARTNER
M. NO.: 126770
Date: NOVEMBER 7, 2017
Place: AHMEDABAD**

ANNEXURE I

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount Rs. In Million)

Particulars	Annexure	As At September 30, 2017	As At March 31,				
			2017	2016	2015	2014	2013
EQUITY AND LIABILITIES							
<u>I. Shareholders' Funds</u>							
a. Share Capital	VI	325.00	325.00	325.00	325.00	310.00	270.00
b. Reserves & Surplus	VII	215.30	128.19	28.59	(32.25)	(73.54)	(43.33)
II. Share Application Money Pending Allotment		-	-	-	-	-	0.04
<u>III. Non-Current Liabilities</u>							
a. Long Term Borrowings	VIII	347.82	384.87	332.07	323.39	370.02	445.54
b. Deferred Tax Liabilities	IX	19.89	43.50	58.44	55.72	37.33	21.16
c. Other Long Term Liabilities	X	41.00	41.06	129.16	86.00	86.87	80.75
d. Long Term Provisions	XI	1.89	1.43	1.40	0.80	0.31	0.18
<u>IV. Current Liabilities</u>							
a. Short Term Borrowings	XII	513.78	426.91	371.31	328.54	283.62	112.98
b. Trade Payables	XIII	250.13	252.31	219.43	175.76	155.93	135.78
c. Other Current Liabilities	XIV	89.57	105.61	105.67	99.63	95.78	84.48
d. Short Term Provisions	XV	18.63	18.63	13.39	9.82	-	-
T O T A L (I+II+III+IV)		1,823.01	1,727.51	1,584.46	1,372.42	1,266.30	1,107.58
ASSETS							
<u>V. Non -Current Assets</u>							
a. Fixed Assets	XVI						
i. Tangible Assets		939.77	918.67	843.21	726.30	712.94	663.48
Less: Accumulated Depreciation		(145.59)	(128.94)	(96.48)	(68.68)	(42.08)	(10.45)
ii. Intangible Assets (Net)		0.46	0.86	0.81	0.78	0.19	0.19
iii Capital Work in Progress		16.90	13.88	-	10.79	3.08	11.79
Net Block		811.54	804.48	747.53	669.19	674.14	665.01
b. Non-Current Investments	XVII	0.03	0.03	-	0.50	0.50	0.30
c. Long Term Loans & Advances	XVIII	0.13	0.13	0.18	0.21	0.07	0.07
<u>VI. Current Assets</u>							
a. Current Investment	XIX	-	-	0.53	-	-	-
b. Inventories	XX	415.23	423.64	352.87	341.61	230.06	142.66
c. Trade Receivables	XXI	464.38	349.28	371.41	285.45	284.24	150.53
d. Cash and Cash Equivalents	XXII	62.17	60.60	52.98	33.54	28.23	69.99
e. Short Term Loans & Advances	XXIII	69.53	89.35	58.79	41.75	48.82	79.03
f. Other Current Assets	XXIV	-	-	0.16	0.16	0.24	-
T O T A L (V+VI)		1,823.01	1,727.51	1,584.46	1,372.42	1,266.30	1,107.58

Notes:

The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE II

RESTATED STATEMENT OF PROFIT AND LOSS

(Amount Rs. In Million)

Particulars	Annexure	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
			2017	2016	2015	2014	2013
I. INCOME							
Revenue from Operations	XXV	1,109.52	1,832.65	1,574.94	1,519.13	1,058.39	265.94
Other Income	XXVI	0.09	13.24	3.60	2.24	3.59	1.34
TOTAL REVENUE (I)		1,109.61	1,845.89	1,578.53	1,521.37	1,061.98	267.27
II. EXPENSES							
Cost of Raw Materials Consumed	XXVII	721.95	1,106.27	984.32	970.26	690.22	210.75
Purchase of Stock-in-Trade	XXVIII	-	56.55	17.91	-	-	-
Changes in Inventories of Finished Goods, Traded Goods and Work-in-progress	XXIX	(19.76)	11.39	0.08	(5.07)	4.81	(40.36)
Employee Benefit Expenses	XXX	42.20	77.22	66.33	63.77	53.10	15.68
Finance Costs	XXXI	58.21	112.95	107.01	106.96	95.44	29.59
Depreciation and Amortisation Expense	XXXII	17.05	32.45	27.94	26.60	31.92	10.06
Other Expenses	XXXIII	219.02	364.40	311.38	299.17	200.54	62.15
TOTAL EXPENSES (II)		1,038.67	1,761.24	1,514.97	1,461.69	1,076.02	287.88
III. RESTATED PROFIT/(LOSS) BEFORE TAX (I-II)		70.94	84.66	63.56	59.68	(14.05)	(20.60)
IV. Tax Expenses							
Current Tax		14.91	18.63	13.39	9.82	-	-
MAT Credit Available		(14.91)	(18.63)	(13.39)	(9.82)	-	-
Deferred Tax		(23.61)	(14.94)	2.72	18.39	16.17	20.88
TOTAL TAX EXPENSES (IV)		(23.61)	(14.94)	2.72	18.39	16.17	20.88
V. RESTATED PROFIT FOR THE YEAR (III-IV)		94.55	99.59	60.85	41.29	(30.21)	(41.48)

Notes:

The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE III

RESTATED STATEMENT OF CASH FLOWS

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
<u>I. Cash Flows From Operating Activities:</u>						
Net Profit Before Tax as per Restated Statement of Profit And Loss	70.94	84.66	63.56	59.68	(14.05)	(20.60)
Adjusted for:						
Preliminary Expenses w/off	-	-	-	0.11	0.20	1.98
Loss on Sale of Fixed Assets	-	-	0.08	-	0.38	-
Profit on Sale of Investments	-	(0.13)	-	-	(0.06)	-
Depreciation & Amortisation	17.06	32.45	27.94	26.60	31.92	10.06
Provision For Doubtful Debts	-	3.71	-	-	-	-
Provision For Gratuity	0.45	-	-	-	-	-
Interest & Finance Cost	58.21	97.59	94.71	98.69	87.92	25.95
Interest Income	-	(4.04)	(2.37)	(1.94)	(1.80)	(0.94)
Foreign Exchange Loss (Net)	-	9.79	10.42	12.63	18.88	1.93
Other Expenses	(0.09)	-	-	-	-	-
Rent Income	(0.09)	(0.36)	(0.36)	(0.24)	(0.39)	(0.36)
Operating Profit Before Working Capital Changes (As Restated)	146.48	223.68	193.99	195.53	123.00	18.02
Adjusted for (Increase)/ Decrease:						
Trade Receivables	(115.10)	18.43	(85.96)	(1.21)	(133.71)	(150.53)
Inventories	8.40	(70.76)	(11.27)	(111.55)	(87.40)	(121.67)
Loans and Advances	19.70	(9.37)	(1.41)	19.26	30.64	(15.08)
Long Term Liabilities	-	(88.10)	43.15	(0.86)	6.11	-
Trade Payables	(2.18)	17.70	31.04	4.65	1.26	115.77
Current Liabilities	(1.65)	2.37	(2.30)	1.72	(5.50)	(1.91)
Other Non -Current Assets	-	-	-	(0.06)	-	-
Cash Flows Generated From/(Used) in Operations	55.65	93.95	167.25	107.47	(65.60)	(155.40)
Direct Tax Paid	-	(13.95)	(10.31)	(0.25)	(0.49)	(0.17)
Net Cash Flows From/(Used in) Operating Activities: (I)	55.65	80.00	156.94	107.22	(66.09)	(155.58)
<u>II. Cash Flow From Investing Activities:</u>						
Purchase of Fixed Assets	(24.10)	(89.41)	(106.14)	(21.65)	(42.11)	(271.44)
Sale of Fixed Asset	-	-	0.42	-	0.68	-
Proceeds from Sale of Investment/Mutual Fund	-	0.63	-	-	0.36	-
Investments in Shares/Mutual Funds	-	-	(0.53)	-	(0.50)	-
Interest Income	-	4.04	2.37	1.94	1.80	0.94

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Rent Income	0.09	0.36	0.36	0.24	0.39	0.36
Net Cash Flow From/(Used in) Investing Activities: (II)	(24.01)	(84.38)	(103.52)	(19.47)	(39.38)	(270.14)
<u>III. Cash Flows from Financing Activities:</u>						
Proceeds From Share Capital/Securities Premium	-	-	-	15.00	40.00	140.75
Repayment of Share Application Money	-	-	-	-	(0.04)	-
Capital Raising Expenses	(7.22)	-	-	(0.11)	(0.20)	(1.35)
Increase/(Decrease) Long Term Borrowing	(51.51)	51.13	18.04	(43.57)	(58.77)	264.14
Increase/ (Decrease) in Short Term Borrowing	86.87	58.46	42.70	44.93	170.63	104.91
Interest & Financial Charges	(58.21)	(97.59)	(94.71)	(98.69)	(87.92)	(25.95)
Net Cash Flow From/(Used in) Financing Activities (III)	(30.07)	12.00	(33.98)	(82.45)	63.71	482.51
IV. Net Increase/(Decrease) in Cash & Cash Equivalents (I+II+III)	1.57	7.62	19.44	5.31	(41.76)	56.79
V. Cash & Cash Equivalents As At Beginning of the Year	60.60	52.98	33.54	28.23	69.99	13.21
VI. Cash & Cash Equivalents As At End of the Year (IV+V)	62.17	60.60	52.98	33.54	28.23	69.99

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

Annexure IVA- Notes on Material Adjustments to the Restated Summary Financial Statements of the respective financial years

The summary of the material adjustments made to audited financial statements of the respective years and their impact on the restated summary statement of profit and loss have been given as under:

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
I. Profit/(Loss) After Tax As Per Audited Financial Statements	94.55	100.68	59.73	40.63	(28.79)	(40.29)
II. Restatement Adjustments						
Change In Depreciation (Refer To Note No. 1 below)	-	-	(0.06)	1.80	(0.07)	0.01
Prior Period Expenses (Refer To Note No. 2 below)	-	-	(0.48)	(0.73)	(0.92)	-
Prior Period Income (Refer To Note No. 3 below)	-	-	0.50	0.02	-	-
Preliminary Expenses (Refer To Note No. 4 below)	-	0.46	0.46	0.35	0.24	(1.59)
Employee Gratuity (Refer To Note No. 5 below)	-	-	(0.60)	(0.49)	(0.13)	(0.18)
Deferred Tax Liability / (Asset) Adjustment (Refer To Note No. 5 below)	-	(1.55)	1.30	(0.28)	(0.54)	0.56
III. Restated Profit/(Loss) After Tax (I-II)	94.55	99.59	60.85	41.29	(30.21)	(41.48)

Notes:

1. The company had charged depreciation on fork lifts considering them as part of vehicles. However, the fork lifts are designed to operate in the plant for shifting of goods. Accordingly, the fork lifts were reclassified as part of plant & machineries. Further, due to arithmetical errors, the company did not charge depreciation on few of the items of the fixed assets. Also in some cases rate of depreciation and useful lives were incorrectly estimated. In the financial year 2014-15 with effect from 1st April, 2014, the company had to charge depreciation on fixed assets as per Schedule II of the Companies Act, 2013 based on the remaining useful lives of respective assets. The company had for the purpose of simplicity assumed full year as used in respect of various assets put to use before 1st April, 2014 instead of number of days for which such assets were put to use. However, in the restated summary financial statements depreciation has been charged considering the number of days for which such assets were earlier put to use. The change in amount of depreciation is the result of the above factors.
2. The company had policy to adjust prior period expenses to opening balance of profit/(loss) of earlier years as carried forward. However, in the restated summary financial statements, such expenses have been charged to the statement of profit & loss of the period to which such expenses relate.
3. The company had policy to adjust prior period income to opening balance of profit/(loss) of earlier years as carried forward. However, in the restated summary financial statements, such incomes have been credited to the statement of profit & loss of the period to which such incomes relate.
4. The company had policy to charge 1/5th of preliminary expenses incurred in form of expenses relating to incorporation and raising of capital to the statement of profit & loss in the year in which such expenses were incurred and balance had been carried forward for charging 1/5th of the expenses to the statement of profit & loss for the subsequent four financial years. In the restated summary financial statements, such expenses have been debited to the statement of profit & loss for the period in which such expenses were incurred.

5. The company did not make provision for gratuity in the statement of profit & loss for each of the financial years ended on March 31, 2013, 2014, 2015 & 2016. The restated summary financial statements, the company has now charged the gratuity to the statement of profit & loss of the respective year as per actuarial valuation report.
6. The company had policy not to consider section 43B payments as per Income tax Act, 1961 as being not material for computing the deferred taxes. The deferred tax liabilities/(assets) were hitherto rounded to the nearest thousand rupees. The adjustments to the deferred tax liabilities/(assets) represent effect of change in the depreciation as per restated financial statements, change in unabsorbed losses, consideration of section 43B payments for computing deferred tax and non-rounding of deferred tax liabilities/(assets) to the nearest thousand rupees.

Annexure IVB – Non Adjusting Items

Other audit qualifications included in the Annexure to the Independent Auditors' Reports issued under the Companies (Auditor's Report) Order 2016, 2015 and 2003 (as amended), respectively on the financial statements for the six months period ended September 30, 2017 and year ended on March 31, 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustments in the Restated Summary Financial Statement are as follows:

I. For the Financial Year 2016-17 and for the six months period ended September 30, 2017

i. Clause (vi)

We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and made. We have however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

ii. Clause (vii)(a)

As per the information & explanations furnished to us, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues of T.D.S., VAT, Service Tax and other material statutory dues applicable to it. There has been no outstanding as at 31st March, 2017 of undisputed liabilities outstanding for more than six months.

Emphasis of matter

We draw attention to the following matters in the Notes to the Financial Statements:

- I. Notes No. 34(c) relating to the non-provision for doubtful debts amounting to Rs. 59,11,028 /- .
- II. Notes No. 34(d)(1) relating to the disputed CENVAT of Excise amounting to Rs. 26,43,260/- and appropriate interest as per Excise Law and Penalty of Rs. 26,43,260/-.
- III. Notes No. 34(d)(4) relating to the disputed Income Tax Amount of Rs. 3,88,500/- for the A.Y. 2013-14.
- IV. Notes No. 34(d)(5) relating to the disputed Income Tax Amount of Rs. 4,36,400/- for the A.Y. 2014-15.

Action taken by management

With respect to non-provision of doubtful debts, the Company has filed a suit under the Negotiable Instruments Act, 1881 on the respective debtors. In view of the management of the Company since the matters are pending before respective statutory authorities, it is most likely that the company will be able to recover the amount from the doubtful debtors on adjudication of matters and hence the company has not made any provision against the doubtful debts of Rs. 5.91 million.

With respect to disputed Cenvat of Excise, the company had preferred an appeal before the Assistant Commissioner of Central Excise, Surendranagar. The Assistant Commissioner vide his order dated 25th January, 2017 has confirmed the disallowance of CENVAT Credit of Rs. 26,43,260/-. The company has reversed the CENVAT Credit

of Rs. 26,43,260/- in the books on 01/06/2016. The company has reversed the CENVAT Credit in the books which has been shown as Pre-deposit of Excise as “Short Term Loans & Advances” in the financial statements. Further, Assistant Commissioner had ordered charging of interest as per the Central Excise Law and imposed penalty of Rs. 26,43,260/-. Being dissatisfied with the order, the company had preferred an appeal before Commissioner of Appeals, Central Excise, Rajkot on 27th March, 2017. The matter was pending before the Commissioner of Appeals, Central Excise, Rajkot for its final disposal as at the end of the financial year.

With respect to disallowance of preliminary expenses of Rs. 3,88,500/-, the Company had preferred an appeal before the CIT-A-1, Ahmedabad, who had also confirmed the amount disallowed by the Income Tax Officer. Against the order of CIT-A-1, the company had further preferred an appeal before Hon'ble ITAT, Ahmedabad. The appeal before the Hon'ble ITAT is pending for adjudication. In view of the management of the company, the company is eligible to claim expenditure disallowed U/s. 35D of the Income Tax Act, 1961 and hence has not made any provision for amount disallowed amounting to Rs. 3,88,500/-.

With respect to disallowance of preliminary expenses of Rs. 4,36,400/-, the Company had preferred an appeal before the CIT-A-1, Ahmedabad. The appeal before the Hon'ble CIT-A-1, Ahmedabad is pending for adjudication. In view of the management of the company, the company is eligible to claim expenditure disallowed U/s. 35D of the Income Tax Act, 1961 and hence has not made any provision for amount disallowed amounting to Rs. 4,36,400/-.

II. For the Financial Year 2015-16

i. Clause (vii)(a)

As per the information & explanations furnished to us, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues of T.D.S., VAT, Service Tax and other material statutory dues applicable to it. There has been no outstanding as at 31st March, 2016 of undisputed liabilities outstanding for more than six months.

Emphasis of matter

We draw attention to the following matters in the Notes to the Financial Statements:

Notes No. 31(p) relating to the non-provision for doubtful debts amounting to Rs. 59,11,028 /- Notes No. 31(q) relating to the disputed CENVAT of Excise amounting to Rs. 26,43,260/-

Action taken by management

With respect to non-provision of doubtful debts, the Company has filed a suit under the Negotiable Instruments Act, 1881 on the respective debtors. In view of the management of the Company since the matters are pending before respective statutory authorities, it is most likely that the company will be able to recover the amount from the doubtful debtors on adjudication of matters and hence the company has not made any provision against the doubtful debts of Rs. 5.91 million.

With respect to disputed Cenvat of Excise, the company had preferred an appeal before the Assistant Commissioner of Central Excise, Surendranagar. The Assistant Commissioner vide his order dated 25th January, 2017 has confirmed the disallowance of CENVAT Credit of Rs. 26,43,260/-. The company has reversed the CENVAT Credit of Rs. 26,43,260/- in the books on 01/06/2016. The company has reversed the CENVAT Credit in the books which has been shown as Pre-deposit of Excise as “Short Term Loans & Advances” in the financial statements. Further, Assistant Commissioner had ordered charging of interest as per the Central Excise Law and imposed penalty of Rs. 26,43,260/-. Being dissatisfied with the order, the company had preferred an appeal before Commissioner of Appeals, Central Excise, Rajkot on 27th March, 2017. The matter was pending before the Commissioner of Appeals, Central Excise, Rajkot for its final disposal as at the end of the financial year.

III. For the Financial Year 2014-15

i. Clause (vii)(a)

As per the information & explanations furnished to us, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues of Provident Fund, T.D.S., Customs Duty, Excise Duty and Cess and other material statutory dues applicable to it except Sales Tax for the period from October-14 to December-14 in respect of which the company has obtained an approval from the Commercial Tax Department, Gujarat for payment by way of monthly instalment of Rs. 13,91,775/- from 6th March, 2015 to 6th June, 2015. As at 31st March, 2015 outstanding amount of such Sales Tax was Rs. 41,75,325/-. There has been no outstanding as at 31st March, 2015 of undisputed liabilities outstanding for more than six months.

IV. For the Financial Year 2013-14

i. Clause (i)(a)

According to the information and explanations given to us, the company is in the process of compilation of records relating to the fixed assets and hence the fixed assets register showing full particulars including quantitative details and situation of fixed assets is in the process of being prepared.

ii. Clause (iii)(d)

As informed to us, the company has not stipulated any time for the payment/repayment of interest/loans taken from parties covered in the register maintained under section 301 of the Companies Act, 1956.

iii. Clause (v)

According to information and explanations given to us, we are of the opinion that the transactions entered into by the Company that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been generally made at prices which are reasonable having regard to the uprevaling market prices at the relevant time and quality of the product of the company. The Price being the technical matter we have not verified the same.

iv. Clause (ix)(a)

As per the information & explanations furnished to us, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues of Sales Tax, Provident Fund, T.D.S., Customs Duty, Excise Duty and Cess and other material statutory dues applicable to it. There has been no outstanding as at 31st March, 2014 of undisputed liabilities outstanding for more than six months.

v. Clause (xi)

According to the information and explanations given to us, in our opinion, the company has delayed repayment of Instalment of Principle Amount and Payment of Interest Amount in respect of term loans taken from banks. However, as at 31st March, 2014 interest amount of Rs. 20.46 Lacs and Instalment of Principal Amount of Rs. 23.81 Lacs for the months of February and March-14 to Corporation Bank and interest amount of Rs. 40.03 Lacs and Instalment of Principal Amount of Rs. 47.62 Lacs for the months of February and March-14 to Union Bank of India were outstanding which were paid in the months of May and June-2014.

V. For the Financial Year 2012-13

i. Clause (i)(a)

As such substantial part of fixed assets were under construction/acquisition upto 10th December, 2012 and not fully acquired/constructed upto that period and hence not available for their intended use, the company has started to maintain records as to the quantity, location and other particulars of fixed assets to the extent they were acquired/constructed during the year.

vi. Clause (v)

According to information and explanations given to us, we are of the opinion that the transactions entered into by the Company that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been generally made at prices which are reasonable having regard to the uprevaling market prices at the relevant time. The Price being the technical matter we have not verified the same.

ii. Clause (ix)(a)

As per the information & explanations furnished to us, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues of TDS, Professional Tax, Custom Duty, Service Tax, Employee Provident Fund etc. to the extent applicable to it. There has been no outstanding as at 31st March, 2013 of undisputed liabilities outstanding for more than six months.

iii. Clause (xi)

According to the information and explanations given to us, in our opinion, the company has been generally regular and has not defaulted in payment of Interest or repayment of Principle amount whenever due of any loan taken from the Banks or Financial Institutes.

Annexure IVC - Material regroupings

W.e.f April 01, 2014, Schedule III of the Companies Act, 2013 has become applicable to the Company for the preparation and presentation of its financial statements which is in line with the erstwhile Revised Schedule VI under the Companies Act, 1956 which became applicable to the Company w.e.f April 01, 2011 for the preparation and presentation of its financial statements.

The adoption of the Schedule III of the Companies Act, 2013/Revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. The restated summary financial statements have been prepared based on the presentation requirements specified under Schedule III of the Companies Act, 2013, which is in line with the erstwhile Revised Schedule VI under the Companies Act, 1956.

Appropriate adjustments have been made in the restated summary statements of assets and liabilities, statement of profits and losses and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the regroupings as per the audited financial statements of the Company for the financial year ended March 31, 2017, prepared in accordance with Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended.

ANNEXURE V – RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO RESTATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOW STATEMENT

Significant Accounting Policies

1. Corporate information

Astron Paper & Board Mill Limited is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's operations comprises of manufacturing and trading of Kraft Paper.

2. Basis of preparation

The restated summary statement of assets and liabilities of the Company as at 30th September, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and losses and related restated summary statement of cash flows for period of six months ended 30th September, 2017 and the financial years ended 31st March, 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as "Restated Summary Financial Statements") have been compiled by the management from the then audited financial statements for the period of six months ended 30th September, 2017 and for the financial years ended 31st March, 2017, 2016, 2015, 2014 and 2013 respectively.

The Restated Summary Financial Statements of the Company for the period of six months ended 30th September, 2017 and for the financial years ended 31st March, 2017, 2016, 2015, 2014 and 2013 have been prepared using the historical audited general purpose financial statements of the Company as at and for the period of six months ended 30th September, 2017 and for the financial years ended 31st March, 2017, 2016, 2015, 2014 and 2013 respectively which were prepared under generally accepted accounting principles in India (Indian GAAP) and originally approved by the Board of Directors of the Company at that relevant time.

The Company has prepared the financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 (the "Act") and as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those adopted in the preparation of financial statement for the period of six months ended 30th September, 2017 and for the financial years ended 31st March, 2017, 2016, 2015, 2014 and 2013.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013 in addition to the Revised Schedule VI to the Companies Act, 1956.

The Restated Summary Financial Statements have been prepared specifically for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed initial public offering ("IPO").

The Restated Summary Financial Statements have been prepared by the Company to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.

A. Summary of significant accounting policies

1. Use of estimates:

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

2. Fixed Assets:

The Fixed Assets are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Fixed Assets comprises of their purchase price including freight, duties, taxes or levies, directly attributable cost of bringing the assets to their working conditions for their intended use. The Company capitalises its Fixed Assets at a value net of CENVAT/VAT received/receivable during the year in respect of eligible Capital Goods. Subsequent expenditures on Fixed Assets have been capitalised only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance. The assets that are under construction/erection or not fully acquired and therefore not available for productive use are shown as "Capital Work in Progress" under fixed assets and will be capitalized on completion of the construction/erection/acquisition activities.

The Fixed Assets disposed off/destroyed during the year have been eliminated from the books at their cost of acquisition and accumulated depreciation thereon upto the date of disposal has been written back. The consequent loss on disposal has been debited to the statement of profit & loss for the year.

The Intangible Assets of Accounting Software, Server Software, Website Development etc. have been recognised at their cost of acquisition. On the basis of the availability of these assets for their intended use, relevant contractual agreements and technological changes that may affect the usefulness of these assets, the useful lives of these assets have been assumed to be of five years from the date of their acquisition.

3. Depreciation:

For the Financial Years 2014-15, 2015-16, 2016-17 & For the period of Six Months Ended September 30, 2017

The Depreciation on Fixed Assets is provided on straight line method for the period of acquisition/construction i.e. from the period from which such assets were available for their intended use on pro-rata basis on the basis of useful life of each of the fixed assets as per Schedule II of the Companies Act, 2013 and in the manner specified in Schedule II of the Companies Act, 2013 except freehold land and other related development on that land. The plant & machineries are depreciated at the rates applicable to continuous process plant for the period for which respective plant & machineries were available for use.

As at the beginning of the financial year, the management of the company had assessed the useful life of each of the fixed assets on the basis of technical specifications of the respective assets and had determined that the estimated useful life of fixed assets will in all probability be as per Part-C of Schedule-II.

The amount of depreciation for the year has been derived by subtracting five per cent of the original cost of each of the assets as salvage value from the carrying amount of respective assets as per the books of account as at the commencement of the year and the cost of acquisition in case of assets acquired during the year and such remaining carrying value or cost has been depreciated over the remaining years of useful life of assets.

The intangible assets have been depreciated on pro-rata basis over period of their estimated useful lives on straight line basis i.e. @ 20.00%.

For the Financial Year 2012-13 and 2013-14

The Depreciation on Fixed Assets is provided on straight line method for the period of acquisition/construction i.e. from the period from which such assets were available from their intended use on pro-rata basis at the rates and manner specified in Schedule XIV of the Companies Act, 1956 except freehold land and other related development on that land. The plant & machineries are depreciated at the rates applicable to continuous process plant for the period for which respective fixed assets were available for use.

The Depreciation on Assets costing upto Rs. 5,000 has been provided @ 100.00%

The intangible assets have been depreciated on pro-rata basis over period of their estimated useful lives on straight line basis i.e. @ 20.00%.

4. Inventories:

Inventories of Raw Materials, Packing Materials, Stores & Spares, Fuel and Work-in-Process have been valued at cost. Finished Goods have been valued at cost or net realisable value whichever is lower. Costs in respect of all items of inventories have been computed on FIFO basis. The cost of Raw Materials, Consumable Stores and items of Spares comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. The purchase price does not include CENVAT/VAT credit availed of by the Company during the year. Work-in-Process includes cost of Raw Materials and conversion cost depending upon the stage of completion as determined. The cost of Finished Goods includes cost of conversion and other costs incurred in bringing the inventories to their present location and conditions. The Finished Goods are valued at cost after availing of the CENVAT/VAT credit on input materials.

5. Revenue Recognition:

All income and expenses are accounted on accrual basis. The Company recognised Sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. Income from investments, where appropriate, is taken into revenue in full on declaration or accrual and tax deducted at source thereon is treated as advance tax. The claim against the imported raw materials on account of quality difference has been accounted on the basis of claims filed and accepted by the supplier of materials except in case claims pending for acceptance which have been accounted on the basis of claims filed.

6. Foreign Currency Transactions:

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

7. Investments:

Investments that are intended to be held for more than a year from the date when such investments were made, are classified as long term (non-current) investments. The long term investments are carried at cost of acquisition.

Investments that are readily realisable and are intended to be held for not more than a year from the date when such investments are made, are classified as current investments. All investments are, initially recognised at cost.

8. Employee Retirement Benefits:

The employee benefits include company's contribution to recognized Employee Provident Fund and Gratuity Fund.

Defined Contribution Plan

The company's contribution to Employee Provident Fund is considered as Defined Contribution Plan and is charged to the Statement of Profit & Loss as expenses for the year in which contribution made.

Defined Benefit Plan

The Liabilities in respect of retirement benefits to eligible employees in the form of Gratuity are provided on the basis of Actuarial Valuation as per AS-15. The employee's gratuity fund scheme is managed by IndiaFirst Life Insurance Company Limited. The cost of providing defined benefits plans in the form of gratuity is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. The actuarial losses/(gains) are recognized in the Statement of Profit & Loss for the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and reduced by the fair value of plan assets.

Short Term Employee Benefits

The short term employee benefits in the form of production incentives are recognized in the period in which the employees render the services.

9. Borrowing Costs:

The proportionate share of borrowing costs incurred i.e. interest in respect of acquisition and installation for fixed assets (qualifying assets) during the period in which these qualifying assets were under construction, acquisition and installation, have been treated as part of cost of respective fixed assets and have been capitalised as part of the cost of respective qualifying assets to make them ready for their intended use. The eligible borrowing costs have been allocated to respective eligible assets in the proportion of the cost of acquisition/construction of respective eligible assets upto the date when such assets were put to use. A qualifying asset is one which takes substantial period of time to get ready for its intended use.

The borrowing cost other than those capitalised as above have been debited to the Statement of Profit and Loss of the current year.

10. Taxes on Income:

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

The MAT Credit available as per the Income Tax Act, 1961 has been recognized as assets where there is convincing evidence that the asset can realized in future for adjustment against the income tax liabilities are being reviewed as at each Balance Sheet date for reasonableness of its realization.

11. Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

12. Provisions, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognised.

13. Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

14. Operating Cycle:

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

15. Earnings per Share

The earnings per share as per AS-20 "Earning Per Share" has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

**NOTES TO RESTATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES,
PROFITS AND LOSSES AND CASH FLOW STATEMENT**

1. STATEMENT OF CIF VALUE OF IMPORTS AS RESTATED

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Raw Materials-Imported Waste Paper	374.04	897.26	735.28	784.47	455.05	148.93
TOTAL	374.04	897.26	735.28	784.47	455.05	148.93

2. STATEMENT OF EXPENDITURE IN FOREIGN CURRENCY AS RESTATED

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Travelling, Lodging & Boarding	0.17	0.08	0.05	0.17	0.17	-
TOTAL	0.17	0.08	0.05	0.17	0.17	-

3. STATEMENT OF EARNINGS IN FOREIGN CURRENCY AS RESTATED

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Claims Against Imported Waste Paper	2.50	6.09	11.75	5.11	1.96	1.08
FOB Value of Exports	4.67	5.56	26.21	8.02	17.81	-
TOTAL	7.17	11.65	37.96	13.13	19.77	1.08

4. Commercial Production and Pre-Acquisition/Construction Exrpenses Capitalised:

The project of the company for manufacturing kraft paper from waste paper was substantially completed as on 31st October, 2012 and the company commenced operational activities from its project from 1st November, 2012. However, subsequent to the commencement of commercial production, due to some technical issues at the plant, the company could not operate the plant to achieve the level of production from the plant for which the plant was designed and intended to operate. After carrying out required modifications in the plant the company could successfully operate the plant at a level for which it was originally intended to operate from 11th December, 2012. The expenditures incurred by the company that were required and relevant to get ready the plant for its intended use and that were directly attributable or generally incurred towards acquisition/construction fixed assets upto 10th December, 2012 have been treated as pre-operative expenditure and have been capitalized as part of cost of respective fixed assets in proportion of the cost of acquisition/construction of respective fixed assets as on 10th December, 2012. The revenue from operations i.e. from sale of kraft paper and directly related expenditure on raw materials and manufacturing of kraft paper during the period upto 10th December, 2012 have been taken

to the statement of profit and loss for the period. The details of pre-operative expenditures incurred upto the period from commencement of construction/acquisition of project and ending on 10th December, 2012 and pre-acquisition/construction of incurred in respect of fixed assets acquired/constructed subsequently are given as under.

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Electricity Power Expenses- Factory	-	-	0.79	-	-	14.85
Factory Expenses	-	-	-	-	-	0.68
Travelling Expenses	-	-	-	-	-	1.05
Telephone & Internet Expenses	-	-	-	-	-	0.49
Transportation Expenses	-	-	-	-	-	0.01
Tea Expenses	-	-	-	-	-	0.18
Insurance Expenses	-	-	-	-	-	0.19
Repairs & Maintenance	-	-	-	-	-	0.20
Rating Expenses	-	-	-	-	-	0.06
Recruitment Expenses	-	-	-	-	-	0.07
Labour Expenses	-	-	-	-	-	0.35
Discount Expenses	-	-	-	-	-	-
Kasar-Vatav	-	-	-	-	-	(0.03)
GPCB NOC Fee Expenses	-	-	-	-	-	0.06
Legal Expenses	-	-	0.31	-	-	1.18
Professional Fees	-	-	-	-	-	3.17
Freight Expenses	-	-	-	-	-	0.15
Petrol & Diesel Expenses	-	-	-	-	-	1.35
Solid Waste Management Expenses	-	-	-	-	-	0.05
Hotel Lodging & Boarding Expenses	-	-	-	-	-	0.10
Clean Energy Cess Expenses	-	-	-	-	-	0.02
GPCB License Fees	-	-	-	-	-	0.12
Factory Security Expenses	-	-	-	-	-	0.72
Conveyance Expenses	-	-	-	-	-	0.05
Transportation Charges Fixed Assets-General	-	-	-	-	-	0.17
Factory Electrical Expenses	-	-	-	-	-	0.01
Garden Expenses	-	-	-	-	-	0.05
Others	-	-	-	-	-	0.05
Salary Expenses	-	-	2.21	-	2.33	10.52
Labour (Direct) Charges	-	-	2.11	-	1.12	5.06
Staff Welfare	-	-	-	-	-	0.78
Employee Incentive Expenses	-	-	-	-	-	0.10
Provident Fund Expenses	-	-	-	-	-	0.33
Bank Charges	-	-	0.82	-	-	0.31
Term Loan Processing Fees	-	-	-	-	-	2.03
Interest on T.O.D.	-	-	-	-	-	0.02

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Interest on Term Loans & Financial Charges	-	0.28	0.51	-	1.24	51.79
Interest-Others	-	-	-	-	-	0.18
Interest Expense On Unsecure Loan	-	-	1.08	-	-	6.73
Interest on Working Capital	-	-	-	-	0.99	-
Salary Incentive	-	-	-	-	0.33	-
TOTAL	-	0.28	7.83	-	6.01	103.22

The details of pre-operative/pre-acquisition/construction expenditures capitalised to respective fixed assets/capital work in progress are given as under.

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Turbine Generator	-	-	-	-	-	6.61
200 TPD Paper Machine Along With Its Accessories	-	-	-	-	-	32.32
Pulp Mill Machinery With Piping & Accessories	-	0.28	5.47	-	-	20.28
Factory Shade Building	-	-	-	-	-	17.49
Boiler - Power Plant	-	-	2.36	-	3.78	7.33
Electric Panel	-	-	-	-	-	3.46
EOT Crane – 25	-	-	-	-	-	2.71
Steam Condensate System	-	-	-	-	-	1.99
RO Plant	-	-	-	-	-	1.06
D-G Set 1010KVR (Generator)	-	-	-	-	-	0.92
Effluent Treatment Plant	-	-	-	-	0.33	0.57
Coal Handling Plant	-	-	-	-	-	0.55
Transformer	-	-	-	-	-	0.41
Chimney - Power Plant	-	-	-	-	-	0.52
Water Tank & Sump	-	-	-	-	-	0.35
Factory Road & Compound Wall	-	-	-	-	-	0.31
Weighbridge Electronics	-	-	-	-	-	0.27
PLC Scada System For Paper Machine	-	-	-	-	-	0.26
Lab Equipments	-	-	-	-	-	0.23
Canteen Building	-	-	-	-	-	0.10
Chemical Storage Tank	-	-	-	-	-	0.08
Cooling Tower	-	-	-	-	-	0.63
Fire Safety Equipment	-	-	-	-	-	0.06
Staff Quarter Umiya Township	-	-	-	-	-	0.99

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Automation System	-	-	-	-	-	1.69
CWIP- ESP - For Boiler	-	-	-	-	-	1.94
CWIP- Digester	-	-	-	-	-	0.11
ESP For Boiler	-	-	-	-	1.45	-
Digester	-	-	-	-	0.32	-
Rewinder	-	-	-	-	0.13	-
T O T A L	-	0.28	7.83	-	6.01	103.22

5. Segment Reporting:

The dominant source of income of the company is from the sale of kraft paper of various quality which do not materially differ in respect of risk perception and the return realized/to be realized. Even the geographical environment in which the company operates does not materially differ considering the political and economic environment, the type of customers, assets employed and the risk and return associated in respect of each of the geographical area. So, the disclosure requirements pursuant to AS-17 – Segment Reporting issued by the ICAI are not applicable to the company.

6. Defined Contribution Benefit Plans-Gratuity

The details of components of net benefit expenses recognized in the statement of profit & loss and amounts recognized in the balance sheet and other relevant details have been given as under:

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended/As At March 31,				
		2017	2016	2015	2014	2013
A. Statement of Profit & Loss Account						
I. Expenses Recognised In The Statement of Profit & Loss						
Current Service Cost	0.35	0.62	0.47	0.28	0.25	0.04
Net Interest Cost	0.07	0.11	0.06	0.03	0.01	-
Actuarial (Gains)/Losses	0.03	(0.21)	0.07	0.18	(0.13)	0.13
Past Service Cost - Non-Vested Benefit Recognized During the Period	-	-	-	-	-	-
Past Service Cost - Vested Benefit Recognized During the Period	-	-	-	-	-	-
(Expected Contributions by the Employees)	-	-	-	-	-	-
(Gains)/Losses on Curtailments And Settlements	-	-	-	-	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-	-	-	-	-
Change in Asset Ceiling	-	-	-	-	-	-
Expenses Recognized in the Statement of Profit or Loss	0.45	0.53	0.60	0.49	0.13	0.17
II. Net Interest Cost for Current Period						

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended/As At March 31,				
		2017	2016	2015	2014	2013
Present Value of Benefit Obligation at the Beginning of the Period	1.93	1.40	0.80	0.31	0.18	0.01
(Fair Value of Plan Assets at the Beginning of the Period)	(0.50)	-	-	-	-	-
Net Liability/(Asset) at the Beginning	1.43	1.40	0.80	0.31	0.18	0.01
Interest Cost	0.07	0.11	0.06	0.03	0.01	-
(Expected Return on Plan Assets)	-	-	-	-	-	-
Net Interest Cost for Current Period	0.07	0.11	0.06	0.03	0.01	-
III. Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss for Current Period						
Actuarial (Gains)/Losses on Obligation For the Period	0.03	(0.20)	0.08	0.18	(0.13)	0.13
Actuarial (Gains)/Losses on Plan Asset For the Period	-	(0.00)	-	-	-	-
Sub-Total	0.03	(0.21)	0.08	0.18	(0.13)	0.13
Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss	0.03	(0.21)	0.08	0.18	(0.13)	0.13
IV. Actual Return on Plan Assets						
Expected Return on Plan Assets	-	-	-	-	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-	-	-	-
Actual Return on Plan Assets	-	-	-	-	-	-
B. Balance Sheet						
I. Changes in the Present Value of the Obligation						
Opening Balance of Present Value of Obligation	1.93	1.40	0.80	0.31	0.18	0.01
Past Service Cost-Non-Vested Benefit Incurred During the Period		-	-	-	-	-
Past Service Cost-Vested Benefit Incurred During the Period	-	-	-	-	-	-
Current Service Cost	0.35	0.62	0.47	0.28	0.25	0.04
Interest Cost	0.07	0.11	0.06	0.03	0.01	-
Liability Transferred In/ Acquisitions	-	-	-	-	-	-
Liability Transferred Out/ Divestments	-	-	-	-	-	-
(Gains)/ Losses on Curtailment	-	-	-	-	-	-
Liabilities Extinguished on Settlement	-	-	-	-	-	-
Benefit Paid Directly by the Employer	-	-	-	-	-	-
Benefit Paid From the Fund	-	-	-	-	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.05	0.10	0.01	0.14	(0.08)	0.02

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended/As At March 31,				
		2017	2016	2015	2014	2013
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.02)	(0.31)	0.06	0.04	(0.05)	0.11
Closing Balance of Present Value of Obligation	2.38	1.93	1.40	0.80	0.31	0.18
II. Changes in Fair Value of Plan Assets						
Opening Balance of Fair Value of Plan Assets	0.50	-	-	-	-	-
Expected Return on Plan Assets	0.02	-	-	-	-	-
Contributions by The Employer	-	0.50	-	-	-	-
Expected Contributions by the Employees	-	-	-	-	-	-
Assets Transferred In/Acquisitions	-	-	-	-	-	-
Assets Transferred Out/ Divestments	-	-	-	-	-	-
Benefit Paid from the Fund	-	-	-	-	-	-
Assets Distributed on Settlements	-	-	-	-	-	-
Effects of Asset Ceiling	-	-	-	-	-	-
The Effect Of Changes In Foreign Exchange Rates	-	-	-	-	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-	-	-	-
Closing Balance of Fair Value of Plan Assets	0.52	0.50	-	-	-	-
III. Percentage of Each Category of Plan Assets to Total Fair Value of Plan Assets As At the Year End						
Government of India Assets	-	-	-	-	-	-
State Government Securities	-	-	-	-	-	-
Special Deposits Scheme	-	-	-	-	-	-
Debt Instruments	-	-	-	-	-	-
Corporate Bonds	-	-	-	-	-	-
Cash And Cash Equivalents	-	-	-	-	-	-
Insurance fund	0.52	0.50	-	-	-	-
Asset-Backed Securities	-	-	-	-	-	-
Structured Debt	-	-	-	-	-	-
Others	-	-	-	-	-	-
IV. Amount Recognized in the Balance Sheet						
(Present Value of Benefit Obligation at the end of the Period)	(1.43)	(1.93)	(1.40)	(0.80)	(0.31)	(0.18)
Fair Value of Plan Assets at the end of the Period	0.52	0.50	-	-	-	-
Funded Status (Surplus/ (Deficit))	(1.88)	(1.43)	(1.40)	(0.80)	(0.31)	(0.18)
Unrecognized Past Service Cost at the end of the Period	-	-	-	-	-	-
(Net Liability)/Asset Recognized in the Balance Sheet	(1.88)	(1.43)	(1.40)	(0.80)	(0.31)	(0.18)
V. Balance Sheet Reconciliation						

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended/As At March 31,				
		2017	2016	2015	2014	2013
Opening Net Liability	1.43	1.40	0.80	0.31	0.18	0.01
Expense Recognized in Statement of Profit or Loss	0.45	0.53	0.60	0.49	0.13	0.17
Net Liability/(Asset) Transfer In	-	-	-	-	-	-
Net (Liability)/Asset Transfer Out	-	-	-	-	-	-
(Benefit Paid Directly by the Employer)	-	-	-	-	-	-
(Employer's Contribution)	-	(0.50)	-	-	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	1.88	1.43	1.40	0.80	0.31	0.18
C. Others						
I. Other Details						
No of Active Members (Nos.)	212	203	173	173	136	140
Per Month Salary For Active Members (Rs.)	1.85	1.65	1.59	1.21	0.91	0.89
Projected Benefit Obligation (PBO) (Rs.)	2.39	1.93	1.40	0.80	0.31	0.18
II. Principal Actuarial Assumptions						
Expected Return on Plan Assets	7.41	N.A.	N.A.	N.A.	N.A.	N.A.
Rate Of Discounting (%)	7.41	7.57	7.96	8.03	9.31	7.89
Rate Of Increase In Salaries (%)	6.00	6.00	6.00	6.00	6.00	6.00
Rate of Employee Turnover (%)	2.00	2.00	2.00	2.00	2.00	2.00
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)					
Mortality Rate After Employment	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

7. Disclosures on Specified Bank Notes (SBNs)
For the Financial Year 2016-17

As required by MCA Notification No. G.S.R. 308(E) dated 31st March, 2017, the details of Specified Bank Notes (SBNs) and Other Denominations Notes for the period from 8th November, 2016 to 30th December, 2016 have been given as under:

Particulars	Specified Bank Notes (SBNs) (Rs.)	(Amount Rs. In Million)	
		Other Denomination Notes (Rs.)	Total (Rs.)
Closing Cash On Hand As On 8 th November, 2016	0.02	0.57	0.59
(+) Permitted Receipts	-	0.50	0.50
(-) Permitted Payments	0.02	0.51	0.53
(-) Amount Deposited In Banks	-	-	
Closing Cash On Hand As On 30 th December, 2016	-	0.56	0.56

8. The company has initiated the process of obtaining confirmations from suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). In absence of the relevant information as to the status of the suppliers, the balance due to Micro, Small and Medium Enterprises and interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be disclosed or provided.

ANNEXURE VI

RESTATED STATEMENT OF SHARE CAPITAL

(Amount Rs. In Million)

Particulars	As At September, 30 2017		As At March 31,									
			2017		2016		2015		2014		2013	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
I. Authorised Share Capital												
Equity Shares of Rs. 10 Each	32500000	325.00	32500000	325.00	32500000	325.00	32500000	325.00	31000000	310.00	27000000	270.00
T O T A L	32500000	325.00	32500000	325.00	32500000	325.00	32500000	325.00	31000000	310.00	27000000	270.00
II. Issued, Subscribed And Paid Up Share Capital												
Equity Shares of Rs. 10 Each	32500000	325.00	32500000	325.00	32500000	325.00	32500000	325.00	31000000	310.00	27000000	270.00
T O T A L	32500000	325.00	32500000	325.00	32500000	325.00	32500000	325.00	31000000	310.00	27000000	270.00

i. RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AS AT THE BEGINNING AND AS AT THE END OF THE YEAR

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year March 31,				
		2017	2016	2015	2014	2013
Equity Shares of Rs. 10/- Each						
Equity Shares As At the Beginning of the Year	32500000	32500000	32500000	31000000	27000000	4340000
Add: Number of Shares Issued For Consideration in Cash	-	-	-	1500000	4000000	14080000
Add: Number of Shares Issued as Bonus Shares	-	-	-	-	-	8580000
Equity Shares As At the End of the Year	32500000	32500000	32500000	32500000	31000000	27000000

ii. DETAILS OF SHAREHOLDER HOLDING 5% OR MORE SHARES IN THE COMPANY

Name of the Shareholder	As At September 30, 2017		As At March 31,									
			2017		2016		2015		2014		2013	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kirit Ghanshyambhai Patel	66,99,650	20.61	66,03,550	20.32	27,91,200	8.59	27,91,200	8.59	21,73,139	7.01	21,73,139	8.05
Karshanbhai Hirabhai Patel	35,75,000	11.00	35,75,000	11.00	3,35,020	1.03	3,35,020	1.03	3,35,020	1.08	3,35,020	1.24
Sanjaybhai Saidva	-	-	-	-	-	-	-	-	-	-	18,56,250	6.88
Mitul Tradelink Private Limited	20,75,350	6.39	20,75,350	6.39	20,75,350	6.39	32,41,550	9.97	32,41,550	10.46	-	-
Prakashkumar C. Patel	-	-	-	-	26,50,350	8.15	21,30,350	6.55	14,24,550	4.60	-	-
Vyanktesh Corrugator Private Limited	-	-	-	-	-	-	25,00,000	7.69	20,00,000	6.45	-	-
Mangla Bangur	-	-	-	-	-	-	30,00,000	9.23	20,00,000	6.45	-	-
Navyug Vyapar Private Limited	55,00,000	16.92	55,00,000	16.92	55,00,000	16.92	-	-	-	-	-	-
Asian Granito India Limited	87,75,000	27.00	87,75,000	27.00	118,50,000	36.46	118,50,000	36.46	118,50,000	38.23	118,50,000	43.89

Notes:

1. The Company has only one class of equity shares having a par value of ` 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

2. During FY 2012-13, the Company has issued bonus shares in the ratio 2:1 to the then eligible shareholders out of balance in securities premium account.

The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V of Cash Flows.

ANNEXURE VII

RESTATEMENT OF RESERVES AND SURPLUS

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
<u>I. SECURITIES PREMIUM</u>						
Opening Balance	-	-	-	-	-	85.84
Less: Utilised For Allotment of Bonus Shares	-	-	-	-	-	(85.84)
Closing Balance	-	-	-	-	-	-
<u>II. SURPLUS IN STATEMENT OF PROFIT AND LOSS</u>						
Opening Balance	128.19	28.60	(32.25)	(73.54)	(43.33)	(1.96)
Add: Restated Profit for the Year	94.55	99.59	60.85	41.29	(30.21)	(41.48)
Add: Excess Depreciation of Earlier Year Written Back	-	-	-	-	-	0.11
Less: IPO Expenses and Other Appropriations	(7.44)	-	-	-	-	-
Closing Balance	215.30	128.19	28.59	(32.25)	(73.54)	(43.33)
T O T A L (I+II)	215.30	128.19	28.59	(32.25)	(73.54)	(43.33)

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV & V.

ANNEXURE VIII

RESTATEMENT OF LONG TERM BORROWINGS

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
<u>I. SECURED LOANS</u>						
<u>A. TERM LOANS FROM BANKS</u>						
From Union Bank of India, Ellis Bridge, Ahmedabad	112.50	88.83	124.27	131.26	177.97	205.05
From Corporation Bank, Navrangpura, Ahmedabad	-	35.41	43.70	50.25	69.82	81.00
From State Bank of India, Commercial Branch, Ahmedabad	33.22	43.39	61.04	62.49	80.70	99.59
<u>B. VEHICLE LOANS</u>						
From Corporation Bank	0.49	0.77	1.32	1.63	2.69	2.78
From ICICI Bank	-	-	-	0.17	0.30	0.30
From Axis Bank Limited	0.23	0.31	0.42	-	-	-
From Kotak Mahindra Prime Limited	0.77	0.94	1.20	-	-	0.19
From Reliance Capital Limited		-	-	-	-	0.04
<u>II. UNSECURED LOANS</u>						

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
From Directors/Shareholders & Their Associates/Relatives	51.73	38.64	21.84	37.64	5.82	8.05
Inter Corporate Loans	148.88	176.57	78.27	39.95	32.72	48.54
T O T A L (I+II)	347.82	384.87	332.07	323.39	370.02	445.54

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR TERM LOANS FROM BANKS

Nature of Security	Terms of Repayment	Guarantee
Term Loans:		
<p>A. Primary Security & Collateral-First Pari Passu Charge</p> <p>a. Secured by Pari passu Charge Over Entire Fixed Assets (Present and Future) of the Company.</p> <p>b. Secured by Pari passu Equitable Mortgage of Factory Land & Building situated at R.S. No. 52/1, 52/2, 53/1, 53/paiki 2, 54, & 55 Village Sukhpura, Tal.: Halvad, Dist.:Morbi</p> <p>c. Factory Land Situated at Survey No. 49/1 & 50 Village Sukhpura, Tah.: Halvad, Dist.: Morbi</p> <p>d. Secured by Pari passu Equitable Mortgage of Residential Flat at 602, Swagat Apartment, Manav Mandir, Memnagar, Ahmedabad</p> <p>e. Secured by Pari passu Equitable Mortgage of Office Premises at D-702, Ganesh Meridian, S.G. Road, Ahmedabad</p> <p>f. Secured by Pari passu Equitable Mortgage of Residential Complexes at plot no. 72 to 75, 82 to 84, Umiya Township, Village Sukhpar, Viramgam Halvad Highway, Ta.: Halvad, Dist. Morbi</p> <p>B. Pari Passu Second Charge over the entire current assets of the company.</p>	<p>a. Term Loan from UBI of Rs. 20.00 Crores to be repaid in 84 Monthly Instalment of Rs. 23.80 Lacs and Instalment Payment to commence from Sep.-2012.</p> <p>b. Additional Term Loan from UBI of Rs. 5.00 Crores to be repaid in 24 Quarterly Instalment of Rs. 20.90 Lacs and Instalment Payment to commence from January-2014. (i.e. in line with SBI Sanction)</p> <p>c. Term Loan from Corporation Bank to be repaid by 84 Monthly Instalment of Rs. 11.90 Lacs and Instalment to Commence from Nov.-2012</p> <p>d. Term Loan from SBI to be repaid by 24 Quarterly Instalment of Rs. 43.10 Lacs and Instalment to Commence from January-2014 i.e. after one year from the date of First Disbursement.</p> <p>e. Term Loan from UBI of Rs. 4.00 Crores to be repaid by 60 Monthly Instalment of Rs. 4.78 Lacs, 12 Monthly Instalment and Instalment of Rs. 6.52 lacs and 5 Monthly Instalment of Rs. 6.99 Lacs Commencing from April-2016.</p> <p>f. Term Loan from Corporation Bank of Rs. 1.60 Crores to be repaid by 60 Monthly Instalment of Rs. 1.91 Lacs, 12 Monthly Instalment of Rs. 2.69</p>	<p>Entire Term loans secured by personal/corporate guarantees of the following persons/parties.</p> <p>A. Directors</p> <p>a. Mr. Kiritbhai G. Patel</p> <p>b. Mr. Ramakant K. Patel</p> <p>c. Mr. Karshanbhai H. Patel</p> <p>B. Corporate Guarantee [Not for The Enhanced Exposure of Rs. 16.60 Crores during the Financial Year 2015-16]</p> <p>a. M/s. Krupal Trading Company</p> <p>b. M/s. Shivam Industries</p>

	Lacs, 4 Monthly Instalment of Rs. 2.60 Lacs and 1 Instalment of Rs. 2.72 Lacs, Instalment to Commence from April-2016.	
	g. Term Loan from SBI of Rs. 2.00 Crores to be repaid by 28 Quarterly Instalment of Rs. 7.14 Lacs and Instalment to Commence from April-2016.	
Vehicle Loans:		
Secured against Hypothecation of Respective Vehicles		

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR UNSECURED LOANS

Unsecured Loan is taken without any stipulation for repayment and is repayable on demand. Interest Rate on the unsecured loan is negotiated with the lender and it is 9% per annum and for Shreerangam Packaging Pvt Ltd and Asian Granito India Ltd rate is 12% per annum.

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V

ANNEXURE IX

RESTATED STATEMENT OF DEFERRED TAX LIABILITIES

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Opening Balance	43.50	58.44	55.72	37.33	21.16	0.29
Add: Deferred Tax Liabilities-Timing Difference-Depreciation	(0.83)	21.79	4.29	19.85	22.31	27.56
Add: Deferred Tax Liabilities-Section 43B Payments	-	0.27	0.24	0.18	0.10	-
Less: Deferred Tax Assets-Unabsorbed Business Losses/Depreciation	(22.78)	(36.88)	(1.50)	(1.39)	(6.12)	(6.12)
Less: Deferred Tax Liabilities Reversal-Section 43B Payments	-	(0.12)	(0.31)	(0.25)	(0.12)	(0.57)
TOTAL	19.89	43.50	58.44	55.72	37.33	21.16

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE X

RESTATED STATEMENT OF OTHER LONG TERM LIABILITIES

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Dealers'/Security Deposits	41.00	41.00	129.10	85.94	86.81	80.69
Rent Deposit	-	0.06	0.06	0.06	0.06	0.06
TOTAL	41.00	41.06	129.16	86.00	86.87	80.75

Notes:

The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XI

RESTATED STATEMENT OF LONG TERM PROVISIONS

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Provision for Employee Benefits Plan-Gratuity	1.89	1.93	1.40	0.80	0.31	0.18
Less: Contributions Made		(0.50)	-	-	-	-
TOTAL	1.89	1.43	1.40	0.80	0.31	0.18

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XII

RESTATED STATEMENT OF SHORT TERM BORROWINGS

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. SECURED WORKING CAPITAL FOM BANKS:						
CASH CREDIT						
From Union Bank of India, Ellis Bridge, Ahmedabad	173.23	105.71	88.26	85.88	83.87	81.13
From Corporation Bank, Navrangpura, Ahmedabad	-	61.31	55.38	44.86	50.91	31.86
From State Bank of India, Commercial Branch, Ahmedabad	116.09	86.82	50.36	57.03	71.21	-
BUYERS CREDIT						
From Union Bank of India, Ellis Bridge, Ahmedabad	105.60	59.51	66.19	53.84	26.12	-

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
From Corporation Bank, Navrangpura, Ahmedabad	-	1.52	6.45	-	-	-
From State Bank of India, Commercial Branch, Ahmedabad	118.86	110.77	100.82	85.93	48.50	-
II. UNSECURED LOANS						
From Directors /Shareholders & Their Associates	-	-	2.00	-	3.00	-
Inter Corporate Loans	-	1.27	1.84	1.01	-	-
T O T A L (I+II)	513.78	426.91	371.31	328.54	283.62	112.98

Nature of Security	Terms of Repayment	Guarantee
Working Capital:		
<p>A. Primary Security Working Capital secured by way of First Pari Passu charge on all the current assets of the company including all kind of stocks, stores, spares, packing materials, movable properties and all book debts, bills, monies and claims receivable.</p> <p>B. Common Collateral Security for all of the Credit Facilities Including Term Loans:</p> <p>a. Secured by Pari passu Equitable Mortgage of Factory Land & Building situated at R.S. No. 52/1, 52/2, 53/1, 53/paiki 2, 54, & 55 Village Sukhpura, Tal.: Halvad, Dist.:Morbi</p> <p>b. Factory Land Situated at Survey No. 49/1 & 50 Village Sukhpura, Tah.: Halvad, Dist.: Morbi</p> <p>c. Secured by Pari passu Equitable Mortgage of Residential Flat at 602, Swagat Apartment, Manav Mandir, Memnagar, Ahmedabad</p> <p>d. Secured by Pari passu Equitable Mortgage of Office Premises at D-702, Ganesh Meridian, S.G. Road, Ahmedabad</p> <p>e. Secured by Pari passu Equitable Mortgage of Residential Complexes at plot no. 72 to 75, 82 to 84, Umiya Township, Village Sukhpar, Viramgam Halvad Highway, Ta.: Halvad, Dist. Morbi</p> <p>C. Pari Passu Second Charge over the entire fixed assets (present & future) of the company.</p>	Working Capital Loans repayable on demand.	<p>Outstanding balances of working capital loans secured by personal/corporate guarantees of the following persons/parties.</p> <p>A. Directors</p> <p>A. Mr. Kiritbhai G. Patel</p> <p>B. Mr. Ramakant K. Patel</p> <p>C. Mr. Karshanbhai H. Patel</p> <p>B. Corporate Guarantee [Not for The Enhanced Exposure of Rs. 16.60 Crores during the Financial Year 2015-16]</p> <p>c. M/s. Krupal Trading Company</p> <p>d. M/s. Shivam Industries</p>

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XIII

RESTATED STATEMENT OF TRADE PAYABLES

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Sundry Creditors for Goods	160.56	155.66	145.89	123.62	124.74	110.02
Sundry Creditors for Other Expenses & Others	89.57	96.65	73.54	52.15	31.19	25.76
T O T A L	250.13	252.31	219.43	175.76	155.93	135.78

DETAILS OF TRADE PAYABLES TO RELATED PARTIES

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Due to Directors, Their Relatives & Associates	21.38	24.48	14.13	-	-	
T O T A L	21.38	24.48	14.13	-	-	-

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XIV

STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. Current Maturities of Long Term Debts						
SECURED LOANS						
Term Loans From Banks	64.78	79.27	79.27	70.33	68.38	50.45
Vehicle Loans From Banks	0.67	0.65	0.64	0.85	0.58	1.01
Vehicle Loans From Financial Institutions	0.27	0.25	0.25	-	0.13	0.88
II. Other Payables						
Sundry Creditors for Capital Expenditure	6.46	8.64	7.30	10.71	11.14	27.49
Interest Payable on Term Loans/Working Capital	-	3.22	2.32	2.77	2.06	1.00
Statutory Dues	17.39	11.54	14.14	13.77	13.01	3.43
Advances from Customers	-	2.04	1.75	1.20	0.48	0.22
T O T A L (I+II)	89.57	105.61	105.67	99.63	95.78	84.48

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XV

STATEMENT OF SHORT TERM PROVISIONS AS RESTATED

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Provision for Income Tax	18.63	18.63	13.39	9.82	-	-
T O T A L	18.63	18.63	13.39	9.82	-	-

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XVI

RESTATED STATEMENT OF FIXED ASSETS

(Amount Rs. In Million)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2012	Additions	Deductions	As At March 31, 2013	As At April 1, 2012	Additions	Deductions	As At March 31, 2013	As At March 31, 2013	As At March 31, 2012
I. TANGIBLE ASSETS-OWNED										
Freehold Land & Land Development	26.51	1.93	-	28.44	-	-	-	-	28.44	26.51
Factory Building Premises	-	92.83	-	92.83	-	0.91	-	0.91	91.92	-
Office Building	4.52	-	-	4.52	0.15	0.07	(0.07)	0.15	4.37	4.37
Labour/Staff Quarters/Residential Premises	2.49	24.23	-	26.72	0.06	0.16	(0.03)	0.19	26.53	2.43
Plant & Machineries	0.73	464.55	-	465.28	-	7.50	-	7.50	457.79	0.73
Laboratory Equipment	-	1.46	-	1.46	-	0.02	-	0.02	1.44	-
Electrification-Plant & Machineries	-	33.67	-	33.67	-	0.54	-	0.54	33.13	-
Borewell	-	0.14	-	0.14	-	0.00	-	0.00	0.13	-
Furniture & Fixtures	1.06	0.62	-	1.68	0.04	0.09	-	0.13	1.55	1.01
Vehicles	5.84	0.68	(0.62)	5.90	0.18	0.54	(0.03)	0.69	5.21	5.67
Office Equipment	0.35	0.80	-	1.15	0.02	0.03	-	0.05	1.10	0.33
Computer Systems	0.68	1.01	-	1.69	0.07	0.17	-	0.24	1.45	0.61
II. INTANGIBLE ASSETS-OWNED										
Software & Licenses	-	0.19	-	0.19	-	0.03	-	0.03	0.16	-
III. CAPITAL WORK IN PROGRESS										
Buildings	52.75	64.64	(117.19)	0.20	-	-	-	-	0.20	52.75
Plant & Machineries	279.33	230.81	(498.56)	11.58	-	-	-	-	11.58	279.33

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2012	Additions	Deductions	As At March 31, 2013	As At April 1, 2012	Additions	Deductions	As At March 31, 2013	As At March 31, 2013	As At March 31, 2012
Pre-Operative Expenses	29.76	73.46	(103.22)	-	-	-	-	-	-	29.76
T O T A L (I+II+III)	404.02	991.03	(719.59)	675.46	0.52	10.06	(0.14)	10.45	665.01	493.49

(Amount Rs. In Million)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At March 31, 2014	As At March 31, 2013
I. TANGIBLE ASSESTS-OWNED										
Freehold Land & Land Development	28.44	0.23	-	28.67	-	-	-	-	28.67	28.44
Factory Building Premises	92.83	3.19	-	96.03	0.91	3.09	-	4.01	92.02	91.92
Office Building	4.52	2.54	-	7.06	0.15	0.10	-	0.25	6.81	4.37
Labour/Staff Quarters/Residential Premises	26.72	-	-	26.72	0.19	0.44	-	0.63	26.09	26.53
Plant & Machineries	465.28	41.31	-	506.59	7.50	25.24	-	32.73	473.86	457.79
Laboratory Equipment	1.46	0.17	-	1.63	0.02	0.07	-	0.09	1.54	1.44
Electrification-Plant & Machineries	33.67	1.92	-	35.59	0.54	1.87	-	2.41	33.18	33.13
Borewell	0.14	-	-	0.14	0.00	0.00	-	0.00	0.13	0.13
Furniture & Fixtures	1.68	0.54	-	2.22	0.13	0.14	-	0.27	1.95	1.55
Vehicles	5.90	0.05	(1.35)	4.60	0.69	0.52	(0.29)	0.92	3.68	5.21
Office Equipment	1.15	0.25	-	1.40	0.05	0.06	-	0.11	1.29	1.10
Computer Systems	1.69	0.60	-	2.29	0.24	0.35	-	0.59	1.71	1.45
II. INTANGIBLE ASSESTS-OWNED										

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At March 31, 2014	As At March 31, 2013
Software & Licenses	0.19	-	-	0.19	0.03	0.04	-	0.07	0.12	0.16
III. CAPITAL WORK IN PROGRESS										
Buildings	0.20	0.07	-	0.28	-	-	-	-	0.28	0.20
Plant & Machineries	11.58	27.27	(36.05)	2.81	-	-	-	-	2.81	11.58
Pre-Operative Expenses	-	-	-	-	-	-	-	-	-	-
T O T A L (I+II+III)	675.46	78.16	(37.39)	716.22	10.45	31.92	(0.29)	42.08	674.14	665.01

(Amount Rs. In Million)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
I. TANGIBLE ASSESTS- OWNED										
Freehold Land & Land Development	28.67	0.09	-	28.76	-	-	-	-	28.76	28.67
Factory Building Premises	96.03	2.09	-	98.12	4.01	3.04	-	7.05	91.07	92.02
Office Building	7.06	1.33	-	8.39	0.25	0.12	-	0.37	8.02	6.81
Labour/Staff Quarters/Residential Premises	26.72	-	-	26.72	0.63	0.42	-	1.05	25.67	26.09
Plant & Machineries	506.59	5.07	-	511.66	32.73	19.02	-	51.75	459.91	473.86
Laboratory Equipment	1.63	-	-	1.63	0.09	0.17	-	0.26	1.37	1.54
Electrification-Plant & Machineries	35.59	-	-	35.59	2.41	1.32	-	3.73	31.86	33.18
Borewell	0.14	-	-	0.14	0.00	0.00	-	0.01	0.13	0.13
Furniture & Fixtures	2.22	2.95	-	5.18	0.27	0.30	-	0.57	4.60	1.95
Vehicles	4.60	0.05	-	4.65	0.92	0.60	-	1.52	3.14	3.68

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
Office Equipment	1.40	1.47	-	2.87	0.11	0.49	-	0.60	2.28	1.29
Computer Systems	2.29	0.31	-	2.60	0.59	1.07	-	1.65	0.95	1.71
II. INTANGIBLE ASSESTS- OWNED										
Software & Licenses	0.19	0.58	-	0.78	0.07	0.05	-	0.12	0.65	0.12
III. CAPITAL WORK IN PROGRESS										
Buildings	0.28	-	(0.28)	-	-	-	-	-	-	0.28
Plant & Machineries	2.81	8.25	(0.27)	10.79	-	-	-	-	10.79	2.81
Pre-Operative Expenses	-	-	-	-	-	-	-	-	-	-
T O T A L (I+II+III)	716.22	22.19	(0.55)	737.87	42.08	26.60	-	68.68	669.19	674.14

(Amount Rs. In Million)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
I. TANGIBLE ASSESTS- OWNED										
Freehold Land & Land Development	28.76	-	-	28.76	-	-	-	-	28.76	28.76
Factory Building Premises	98.12	5.63	-	103.75	7.05	3.16	-	10.21	93.54	91.07
Office Building	8.39	-	-	8.39	0.37	0.13	-	0.51	7.89	8.02
Labour/Staff Quarters/Residential Premises	26.72	-	-	26.72	1.05	0.42	-	1.47	25.25	25.67
Plant & Machineries	511.66	108.34	-	620.00	51.75	20.16	-	71.91	548.08	459.91
Laboratory Equipment	1.63	-	-	1.63	0.26	0.17	-	0.43	1.20	1.37

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
Electrification-Plant & Machineries	35.59	-	(0.02)	35.58	3.73	1.26	-	4.99	30.59	31.86
Borewell	0.14	-	-	0.14	0.01	0.00	-	0.01	0.13	0.13
Furniture & Fixtures	5.18	0.07	-	5.25	0.57	0.51	-	1.08	4.16	4.60
Vehicles	4.65	2.61	(0.63)	6.63	1.52	0.99	(0.14)	2.37	4.26	3.14
Office Equipment	2.87	0.77	-	3.65	0.60	0.71	-	1.30	2.34	2.28
Computer Systems	2.60	0.12	-	2.72	1.65	0.34	-	1.99	0.73	0.95
II. INTANGIBLE ASSESTS-OWNED										
Software & Licenses	0.78	0.03	-	0.81	0.12	0.09	-	0.21	0.59	0.65
III. CAPITAL WORK IN PROGRESS										
Buildings	-	-	-	-	-	-	-	-	-	-
Plant & Machineries	10.79	-	(10.79)	-	-	-	-	-	-	10.79
Pre-Operative Expenses	-	-	-	-	-	-	-	-	-	-
T O T A L (I+II+III)	737.87	117.57	(11.43)	844.01	68.68	27.94	(0.14)	96.48	747.53	669.19

(Amount Rs. In Million)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2016	Additions	Deductions	As At March 31, 2017	As At April 1, 2016	Additions	Deductions	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
I. TANGIBLE ASSESTS-OWNED										
Freehold Land & Land Development	28.76	-	-	28.76	-	-	-	-	28.76	28.76
Factory Building Premises	103.75	6.57	-	110.32	10.21	3.41	-	13.61	96.71	93.54

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2016	Additions	Deductions	As At March 31, 2017	As At April 1, 2016	Additions	Deductions	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
Office Building	8.39	0.23	-	8.62	0.51	0.13	-	0.64	7.98	7.89
Labour/Staff Quarters/Residential Premises	26.72	0.05	-	26.77	1.47	0.42	-	1.89	24.88	25.25
Plant & Machineries	620.00	55.25	-	675.24	71.91	24.09	-	96.01	579.24	548.08
Laboratory Equipment	1.63	-	-	1.63	0.43	0.17	-	0.61	1.02	1.20
Electrification-Plant & Machineries	35.58	12.58	-	48.16	4.99	1.54	-	6.53	41.63	30.59
Borewell	0.14	-	-	0.14	0.01	0.00	-	0.01	0.13	0.13
Furniture & Fixtures	5.25	0.13	-	5.37	1.08	0.52	-	1.61	3.77	4.16
Vehicles	6.63	-	-	6.63	2.37	1.12	-	3.49	3.14	4.26
Office Equipment	3.65	0.56	-	4.21	1.30	0.75	-	2.05	2.16	2.34
Computer Systems	2.72	0.11	-	2.83	1.99	0.18	-	2.17	0.66	0.73
II. INTANGIBLE ASSETS-OWNED										
Software & Licenses	0.81	0.06	-	0.86	0.21	0.11	-	0.32	0.54	0.59
III. CAPITAL WORK IN PROGRESS										
Buildings	-	-	-	-	-	-	-	-	-	-
Plant & Machineries	-	13.88	-	13.88	-	-	-	-	13.88	-
Pre-Operative Expenses	-	-	-	-	-	-	-	-	-	-
T O T A L (I+II+III)	844.01	89.41	-	933.42	96.48	32.45	-	128.94	804.48	747.53

(Amount Rs. In Million)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2017	Additions	Deductions	As At September 30, 2017	As At April 1, 2017	Additions	Deductions	As At September 30, 2017	As At September 30, 2017	As At March 31, 2017
I. TANGIBLE ASSETS-OWNED										
Freehold Land & Land Development	28.76	-	-	28.76	-	-	-	-	28.76	28.76
Factory Building Premises	110.32	1.45	-	111.77	13.61	1.76	-	15.37	96.40	96.71
Office Building	8.62	-	-	8.62	0.64	0.07	-	0.71	7.91	7.98
Labour/Staff Quarters/Residential Premises	26.77	-	-	26.77	1.89	0.21	-	2.10	24.67	24.88
Plant & Machineries	675.24	18.46	-	693.70	96.01	12.85	-	108.86	584.84	579.24
Laboratory Equipment	1.63	-	-	1.63	0.61	0.09	-	0.70	0.93	1.02
Electrification-Plant & Machineries	48.16	0.92	-	49.08	6.53	0.86	-	7.39	41.69	41.63
Borewell	0.14	-	-	0.14	0.01	-	-	0.01	0.13	0.13
Furniture & Fixtures	5.37	-	-	5.37	1.61	0.26	-	1.87	3.50	3.77
Vehicles	6.63	0.07	-	6.70	3.49	0.39	-	3.88	2.82	3.14
Office Equipment	4.21	0.09	-	4.30	2.05	0.40	-	2.45	1.85	2.16
Computer Systems	2.83	0.10	-	2.93	2.17	0.08	-	2.25	0.68	0.66
II. INTANGIBLE ASSETS-OWNED										
Software & Licenses	0.86	-	-	0.86	0.32	0.08	-	0.40	0.46	0.54
III. CAPITAL WORK IN PROGRESS										
Buildings	-		-		-	-	-	-	-	-
Plant & Machineries	13.88	16.90	13.88	16.90	-	-	-	-	16.90	13.88
Pre-Operative Expenses	-		-		-	-	-	-	-	-
T O T A L (I+II+III)	933.42		-	957.53	128.94	17.05	-	145.99	811.54	804.48

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XVII

RESTATED STATEMENT OF NON CURRENT INVESTMENTS
(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. Investments Quoted-At Cost						
Investments in Mutual Funds						
Union KBC Equity Fund	-	-	-	0.50	0.50	0.30
II. Investments-Unquoted-At Cost						
38,000 Shares of OPGS Power Gujarat Private Limited	0.03	0.03	-	-	-	-
T O T A L (I+II)	0.03	0.03	-	0.50	0.50	0.30

MARKET VALUE OF QUOTED INVESTMENTS

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Union KBC Equity Fund	-	-	-	0.82	0.61	0.31
T O T A L	-	-	-	0.82	0.61	0.31

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XVIII

RESTATED STATEMENT OF LONG TERM LOANS & ADVANCES

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Unsecured But Considered Good						
Security Deposits	0.13	0.13	0.13	0.13	0.07	0.07
Pre-Paid Expenses	-	-	0.05	0.08	-	-
T O T A L	0.13	0.13	0.18	0.21	0.07	0.07

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

ANNEXURE XIX

RESTATED STATEMENT OF CURRENT INVESTMENTS

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. Investments Quoted-At Cost						
Investments in Mutual Funds						
Union KBC Equity Fund	-	-	0.50	-	-	-
II. Investments-Unquoted-At Cost						
38,000 Shares of OPGS Power Gujarat Private Limited	-	-	0.03	-	-	-
T O T A L (I+II)	-	-	0.53	-	-	-

MARKET VALUE OF QUOTED INVESTMENTS

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Union KBC Equity Fund	-	-	0.60	-	-	-
T O T A L	-	-	0.60	-	-	-

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XX

RESTATED STATEMENT OF INVENTORIES

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. INVENTORIES						
Raw Materials	294.84	291.10	213.42	208.56	107.70	63.23
Work-in-Process	5.68	7.11	5.65	5.99	6.05	5.05
Finished Goods	43.23	22.04	34.89	34.64	29.50	35.31
Coal & Fuel	12.73	41.43	29.15	26.68	28.09	11.45
Packing Materials	0.04	2.97	4.30	3.14	2.48	0.50
Stores & Spares	58.71	58.99	65.46	62.61	56.23	27.12
II. DETAILS OF RAW MATERIALS						
Indian Waste Paper	3.80	3.88	5.64	15.74	8.94	12.97
Imported Waste Paper	276.34	263.76	184.79	168.37	81.13	44.16

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Chemicals	14.70	23.46	22.98	24.45	17.64	6.10
Imported	276.34	263.76	184.79	168.37	81.13	44.16
Indigenous	18.50	27.34	28.63	40.19	26.57	19.07
III. DETAILS OF COAL & FUEL						
Imported Coal	12.31	40.25	28.55	21.30	25.16	11.45
Lignite	0.42	1.18	0.60	5.38	2.94	-
IV. DETAILS OF WORK-IN-PROCESS						
Work-in-Process-In Pulp	1.35	1.81	1.63	1.79	1.81	2.13
Uncut Finished Goods	4.33	5.31	4.02	4.20	4.25	2.92
V. DETAILS OF FINISHED GOODS						
Multilayer Kraft Paper	43.23	22.04	34.89	34.64	29.50	35.31
T O T A L	415.23	423.64	352.87	341.61	230.06	142.66

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXI

RESTATED STATEMENT OF TRADE RECEIVABLES

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. Unsecured But Considered Good						
Less Than Six Months	453.91	330.09	359.48	275.14	269.87	150.53
More Than Six Months	4.56	13.28	6.02	4.15	14.37	-
II. Unsecured And Considered Doubtful						
Less Than Six Months		-	-	-	-	-
More Than Six Months	9.62	9.62	5.91	6.16	-	-
Less: Provision For Doubtful Debts	(3.71)	(3.71)	-	-	-	-
T O T A L (I+II)	464.38	349.28	371.41	285.45	284.24	150.53

DETAILS OF TRADE RECEIVABLES FROM RELATED PARTIES

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
From:						
Key Management Persons	-	-	-	-	-	-
Relatives of Key Management Persons	-	-	-	-	-	-
Associate Concerns/ Entities over which KMP is able to exercise significant influence	0.89	1.64	1.10	79.36	73.17	40.31
TOTAL	0.89	1.64	1.10	79.36	73.17	40.31

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXII**RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS****(Amount Rs. In Million)**

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. Balances With Banks						
In Current Account	2.37	4.02	16.78	2.53	1.34	44.65
FD with Bank As Margin Money/Security Deposits	59.50	55.70	35.40	29.82	25.63	25.12
II. Cash on Hand	0.30	0.88	0.80	1.19	1.26	0.22
TOTAL (I+II)	62.17	60.60	52.98	33.54	28.23	69.99

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXIII**RESTATED STATEMENT OF SHORT TERM LOANS & ADVANCES AS RESTATED****(Amount Rs. In Million)**

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. Unsecured But Considered Good						
Advances for Capital Goods	10.84	0.01	3.65	2.22	3.41	12.75
Advances to Suppliers for Goods	-	16.44	7.34	3.97	6.74	1.82
Advances to Firm in Which Directors Interested	-	-	-	-	-	10.24

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Advances for Expenses & Other Debit Balances	3.19	2.93	1.10	1.65	2.88	0.27
Claims Receivables & Sundry Debit Balances	10.63	13.95	8.81	6.52	4.58	2.65
Sundry Advances to Staff	0.10	0.13	0.19	0.07	0.17	0.06
Pre-Paid Expenses	2.37	2.24	2.01	1.43	1.51	1.81
Balances with Government Authorities	42.40	53.65	35.11	25.30	29.52	49.43
II. Unsecured and Considered Doubtful						
Claims Receivables & Sundry Debit Balances	-	-	0.59	0.59	-	-
T O T A L (I+II)	69.53	89.35	58.79	41.75	48.82	79.03

DETAILS OF SHORT TERM LOANS & ADVANCES FROM RELATED PARTIES

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
From:						
Key Management Persons	-	-	-	-	-	-
Relatives of Key Management Persons	-	-	-	-	-	-
Associate Concerns/Entities over which KMP is able to exercise significant influence	-	-	-	-	3.14	12.05
T O T A L	-	-	-	-	3.14	12.05

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXIV

RESTATED STATEMENT OF OTHER CURRENT ASSETS

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Accrued Income	-	-	0.16	0.16	0.24	-
T O T A L	-	-	0.16	0.16	0.24	-

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXV

RESTATED STATEMENT OF REVENUE FROM OPERATIONS

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
I. REVENUE FROM SALE OF PRODUCTS:						
Multilayer Kraft Paper-Manufacturing	1,241.54	1,923.75	1,675.45	1,630.40	1,138.17	288.77
Multilayer Kraft Paper-Trading	-	57.13	18.09	-	-	-
Scrap Sales	-	1.75	0.79	0.43	-	-
Insurance on Sales	1.66	2.40	1.88	1.88	0.71	0.36
Less: Rate Difference on Sales	(28.92)	(42.66)	(23.43)	(14.20)	(14.50)	(5.81)
Less: Sales Return	-	-	(2.63)	(3.07)	-	(0.27)
Less: Excise on Sales	(30.99)	(109.72)	(95.22)	(96.45)	(66.24)	(17.11)
Less: GST on Sales	(73.77)	-	-	-	-	-
T O T A L (I)	1,109.52	1,832.65	1,574.94	1,518.99	1,058.15	265.94
II. OTHER OPERATING REVENUE						
Duty Drawback Income	-	-	-	0.15	0.24	-
T O T A L (II)	-	-	-	0.15	0.24	-
REVENUE FROM OPERATIONS (NET) (I+II)	1,109.52	1,832.65	1,574.94	1,519.13	1,058.39	265.94

DETAILS OF PRODUCTS SOLD

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Multilayer Kraft Paper (Net Sales)	1,109.52	1,832.65	1,574.94	1,518.99	1,058.15	265.94
T O T A L	1,109.52	1,832.65	1,574.94	1,518.99	1,058.15	265.94

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXVI

RESTATED STATEMENT OF OTHER INCOME

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,					Recurring/ Non-Recurring	Related/ Not Related to Business Activities
		2017	2016	2015	2014	2013		
Interest Income								
- On Bank Deposits	-	4.04	2.37	1.91	1.80	0.67	Recurring	Not Related
- On Electricity Deposits	-	-	0.01	-	-	-	Recurring	Not Related
- On Income Tax Refund	-	-	-	0.02	-	-	Non-Recurring	Not Related
- From Others	-	-	-	-	-	0.27	Non-Recurring	Not Related
Profit On Sale of Investments	-	0.13	-	-	0.06	-	Non-Recurring	Not Related
Sundry Balances Written off/Discount/Kasar (Net)	-	8.24	0.86	0.02	1.33	0.04	Non-Recurring	Related
Rent Income	0.09	0.36	0.36	0.24	0.39	0.36	Recurring	Not Related
Insurance Claim on Loss of Goods	-	0.48	-	-	-	-	Non-Recurring	Related
Other Miscellaneous Income	-	-	-	0.04	-	-	Non-Recurring	Related
TOTAL	0.09	13.24	3.60	2.24	3.59	1.34		

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXVII

RESTATED STATEMENT OF COST OF MATERIALS CONSUMED

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
I. WASTE PAPER						
Opening Stock	267.64	190.43	184.10	90.07	57.12	20.98
Add : Purchases (Net of VAT/GST Set off)	584.88	939.56	783.12	862.25	584.17	196.39
Add: Freight, Custom Duty, Clearing & Forwarding Charges	88.18	160.37	132.94	143.75	82.28	35.69
Less: Sales of Raw Materials	-	-	-	-	(3.31)	-
Less: Rate /Quality Rate Difference on Raw Materials	(2.80)	(6.33)	(12.46)	(5.73)	(8.53)	-
Less: Quantity Discount	-	-	-	-	(0.25)	-
Less: Insurance Claim	-	(5.87)	-	-	-	-
Less : Closing Stocks	(280.14)	(267.64)	(190.43)	(184.10)	(90.07)	(57.12)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
T O T A L (I)	657.76	1,010.52	897.26	906.23	621.41	195.94
II. OTHER RAW MATERIALS-CHEMICALS						
Opening Stock	23.46	22.98	24.45	17.64	6.10	-
Add : Purchases (Net of VAT/GST Set off)	55.43	96.77	85.63	72.54	80.91	20.92
Less: Quality Rate Difference on Raw Materials		(0.55)	-	(0.83)	-	-
Less: Sales of Raw Materials	-	-	(0.04)	(0.87)	(0.57)	-
Less : Closing Stock	(14.70)	(23.46)	(22.98)	(24.45)	(17.64)	(6.10)
T O T A L (I+II)	64.19	95.75	87.06	64.03	68.81	14.81
COST OF MATERIALS CONSUMED (I+II)	721.95	1,106.27	984.32	970.26	690.22	210.75

CLASSES OF RAW MATERIALS CONSUMED AS RESTATED

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Indian Waste Paper	1.46	32.20	59.31	61.15	130.29	35.59
Imported Waste Paper	656.30	978.32	837.95	845.06	491.11	160.35
Chemicals	64.19	95.75	87.06	64.05	68.81	14.81
T O T A L	721.95	1,106.27	984.32	970.26	690.22	210.75

DETAILS IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED AS RESTATED

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Imported (Amount)	656.30	978.32	837.95	845.06	491.11	160.35
Imported (%)	90.91	88.43	85.13	87.10	71.15	76.09
Indigenous (Amount)	65.65	127.94	146.37	125.20	199.11	50.40
Indigenous (%)	9.09	11.57	14.87	12.90	28.85	23.91
T O T A L (A M O U N T)	721.95	1,106.27	984.32	970.26	690.22	210.75
T O T A L (%)	100.00	100.00	100.00	100.00	100.00	100.00

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXVIII**RESTATED STATEMENT OF PURCHASE OF STOCK IN TRADE****(Amount Rs. In Million)**

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Multilayer Kraft Paper	-	56.55	17.91	-	-	-
TOTAL	-	56.55	17.91	-	-	-

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXIX**RESTATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WIP****(Amount Rs. In Million)**

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
I. Closing Stock						
Work-in-Progress	5.68	7.11	5.65	5.99	6.05	5.05
Finished Goods	43.23	22.04	34.89	34.64	29.50	35.31
II. Opening Stock						
Work-in-Progress	7.11	5.65	5.99	6.05	5.05	-
Finished Goods	22.04	34.89	34.64	29.50	35.31	-
(Increase)/Decrease Inventories (I-II)	(19.76)	11.39	0.08	(5.07)	4.81	(40.36)

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V

ANNEXURE XXX

RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Salary, Wages & Bonus	38.43	69.42	59.19	58.50	48.82	14.60
Directors' Remuneration	0.90	1.80	1.80	1.20	0.20	-
Employee Allowances	0.21	0.27	0.14	0.10	-	-
Contribution to Provident & Other Funds	0.88	1.84	1.76	1.61	1.31	0.43
Contribution to Employee Gratuity	0.45	0.53	0.60	0.49	0.13	0.18
Staff Welfare	0.71	2.27	1.92	1.02	1.69	0.15
Security Charges	0.62	1.09	0.91	0.86	0.95	0.31
TOTAL	42.20	77.22	66.33	63.77	53.10	15.68

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXXI

RESTATED STATEMENT OF FINANCE COSTS

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Interest on Working Capital Loans From Banks	19.52	39.33	36.84	35.69	21.72	6.37
Interest on Term Loans From Bank	14.74	40.62	47.39	53.78	58.71	16.56
Interest on Unsecured Loans	8.20	13.32	7.31	7.74	6.51	2.46
Interest on Vehicle Loans	0.13	0.35	0.32	0.38	0.52	0.56
Interest on LC Discounting	-	-	-	-	0.41	-
Interest Others	2.70	3.98	2.85	1.10	0.05	-
Bank Charges	5.53	9.22	8.93	6.71	4.21	0.62
Processing Fees	5.59	1.49	1.41	1.02	1.76	0.82
Legal Bank Charges	-	-	-	-	-	0.74
L/C Discounting Charges	1.79	4.65	1.96	0.54	1.55	1.31
Loan Renewal Charges	-	-	-	-	-	0.16
TOTAL	58.21	112.95	107.01	106.96	95.44	29.59

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXXII

RESTATED STATEMENT OF DEPRECIATION & AMORTIZATION

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Depreciation & Amortization	17.05	32.45	27.94	26.60	31.92	10.06
T O T A L	17.05	32.45	27.94	26.60	31.92	10.06

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXXIII

RESTATED STATEMENT OF OTHER EXPENSES

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
I. MANUFACTURING EXPENSES						
Stores & Spares Consumed	16.02	33.39	27.18	25.88	9.52	1.79
Packing Materials Consumed	15.17	18.49	13.68	12.48	6.84	2.23
Electricity Charges	44.47	64.31	57.57	61.25	44.69	7.06
Fuel Consumed	109.18	180.13	155.05	152.11	94.22	40.02
Repairs & Maintenance						
- Plant & Machineries	3.94	9.20	6.90	3.73	1.93	0.23
- Buildings	0.31	1.10	0.07	0.12	0.26	-
- Others	1.15	0.32	0.16	0.17	0.09	-
Machinery Hire Charges	1.44	2.72	1.49	1.42	0.35	-
Other Manufacturing Expenses	0.40	0.52	0.66	0.44	0.54	0.03
Excise Payable on Opening & Closing Stock of Finished Goods	-	(0.74)	0.01	0.37	(0.47)	2.10
II. ADMINISTRATIVE, SELLING & OTHER EXPENSES						
Postage & Telephone/Communication Expenses	0.47	1.09	0.90	1.03	1.08	0.35
Stationery & Printing	0.21	0.49	0.48	0.43	0.61	0.23
Travelling, Conveyance & Vehicle Expenses						
- Travelling & Conveyance	0.83	1.10	0.54	0.84	1.16	0.34
- Vehicle Expenses (Including Repairs & Fuel)	0.71	1.26	1.27	1.11	1.66	0.54
Legal & Professional Charges	2.43	3.16	4.88	4.82	2.26	0.32
Rent, Rates & Taxes	0.47	3.69	2.33	2.32	3.16	0.31

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
Auditors' Remuneration	-	0.10	0.10	0.10	0.06	0.05
Insurance	0.06	2.15	1.99	1.07	0.81	0.54
Sales Promotion Expenses	-	1.59	0.53	1.30	0.80	0.20
Advertisement Expenses	0.02	0.08	0.21	0.09	0.38	-
Commission on Sales	3.51	9.14	8.91	6.60	2.52	0.85
Rebate & Discount	2.38	10.89	7.71	4.98	1.80	-
Quality Complaints	3.92	2.40	1.80	1.02	2.51	-
Freight & Cartage on Sales	2.30	3.04	5.09	1.51	2.77	0.38
Other Marketing Expenses	-	-	-	-	-	-
Loss On Sale Of Fixed Assets	-	-	0.08	-	0.38	-
Provision for Doubtful Debts	-	3.71	-	-	-	-
Loss On Foreign Exchange Fluctuations	8.88	9.79	10.42	12.63	18.88	1.93
Other Expenses	0.73	1.28	1.36	1.24	1.51	0.67
Preliminary Expenses	-	-	-	0.11	0.20	1.98
T O T A L (I + II)	219.02	364.40	311.38	299.17	200.54	62.15

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXXIV

RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS

As per AS-18 "Related Party Disclosures" issued by the ICAI and notified by MCA, the disclosure of related parties and transactions with them as defined in the accounting standard has been given as under:

I. NAMES OF RELATED PARTIES AND RELATED PARTY RELATIONSHIP

Related Party Relationship	For the Six Months Period Ended 30 September, 2017	Name of the Related Parties For the Year Ended March 31,				
		2017	2016	2015	2014	2013
A. Key Management Personnel	Kirit G. Patel	Kirit G. Patel	Kirit G. Patel	Kirit G. Patel	Kirit G. Patel	Kirit G. Patel
	Ramakant K. Patel	Ramakant K. Patel	Ramakant K. Patel	Ramakant K. Patel	Ramakant K. Patel	Ramakant K. Patel
	Karshanbhai H. Patel	Karshanbhai H. Patel	Karshanbhai H. Patel	Karshanbhai H. Patel	Karshanbhai H. Patel	Karshanbhai H. Patel
	-	-	-	-	Rasiklal Valjibhai Patel	Rasiklal Valjibhai Patel
	-	Jayantibhai M. Patel	Jayantibhai M. Patel	Jayantibhai M. Patel	Jayantibhai M. Patel	Jayantibhai M. Patel
	Shakti Bhargava	-	-	-	-	-

Related Party Relationship	For the Six Months Period Ended 30 September, 2017	Name of the Related Parties For the Year Ended March 31,				
		2017	2016	2015	2014	2013
	Dharmendra Singh	-	-	-	-	-
	Parth R. Patel	-	-	-	-	-
	Bipinkumar T. Patel	Bipinkumar T. Patel	Bipinkumar T. Patel	Bipinkumar T. Patel	-	-
	Uttam Patel	Uttam Patel	Uttam Patel	-	-	-
B. Associate Concerns/ Entities in which managerial personnel/relative of key managerial personnel have significant influence	Asian Granito India Limited	Asian Granito India Limited	Asian Granito India Limited	Asian Granito India Limited	Asian Granito India Limited	Asian Granito India Limited
	Krupal Trading Co.	Krupal Trading Co.	Krupal Trading Co.	Krupal Trading Co.	Krupal Trading Co.	Krupal Trading Co.
	-	-	-	-	-	Mitul Enterprise
	-	-	-	-	Shreeji Industries	Shreeji Industries
	-	-	-	Shivam Industries	Shivam Industries	Shivam Industries
	-	-	Mitul Tradelink Private Limited*	Mitul Tradelink Private Limited	Mitul Tradelink Private Limited	Mitul Tradelink Private Limited
	-	-	-	-	Devkinandan Paper Mills Pvt. Ltd.	Devkinandan Paper Mills Pvt. Ltd.
	Shreerangam Packaging Pvt. Ltd.	Shreerangam Packaging Pvt. Ltd.	Shreerangam Packaging Pvt. Ltd.	Shreerangam Packaging Pvt. Ltd.	Shreerangam Packaging Pvt. Ltd.	Shreerangam Packaging Pvt. Ltd.
	Krishna Builders	Krishna Builders	Krishna Builders	-	-	-
	Specific Ceramics Limited	Specific Ceramics Limited	Specific Ceramics Limited	-	-	-
	Jyoti Industries	Jyoti Industries	Jyoti Industries	-	-	-
	Sarathi Agrotech	Sarathi Agrotech	Sarathi Agrotech	-	-	-
C. Relatives of Key Management Personnel	-	-	-	-	Jasvantbhai V. Patel	Jasvantbhai V. Patel
	-	-	-	-	Divyang J. Patel	Divyang J. Patel
	-	-	-	-	Vivek R. Patel	Vivek R. Patel
	-	-	-	-	Kirit G. Patel-HUF	Kirit G. Patel-HUF
	-	-	-	-	Kusumben Rasiklal Patel	Kusumben Rasiklal Patel
	-	-	-	-	Hashumatiben Jasubhai Patel	Hashumatiben Jasubhai Patel
	Prakashbhai Chaturbhai	Prakashbhai Chaturbhai	Prakashbhai Chaturbhai	Prakashbhai Chaturbhai	Prakashbhai Chaturbhai	Prakashbhai Chaturbhai

Related Party Relationship	For the Six Months Period Ended 30 September, 2017	Name of the Related Parties For the Year Ended March 31,				
		2017	2016	2015	2014	2013
	Patel	Patel	Patel	Patel	Patel	Patel
	-	-	-	-	Tanviben Chintanbhai Patel	Tanviben Chintanbhai Patel
	Harsh Ramakantbhai Patel	Harsh Ramakantbhai Patel	Harsh Ramakantbhai Patel	Harsh Ramakantbhai Patel	Harsh Ramakantbhai Patel	-
	-	-	-	Bharatbhai P. Patel	Bharatbhai P. Patel	-
	Taraben K. Patel	Taraben K. Patel	Taraben K. Patel	Taraben K. Patel	Taraben K. Patel	-
	Rohit K. Patel	Rohit K. Patel	Rohit K. Patel	Rohit K. Patel	Rohit K. Patel	-
	Rajendra K. Patel	Rajendra K. Patel	Rajendra K. Patel	Rajendra K. Patel	Rajendra K. Patel	-
	Subhadraaben R. Patel	Subhadraaben R. Patel	Subhadraaben R. Patel	Subhadraaben R. Patel	Subhadraaben R. Patel	-
	Priyanka R. Patel	Priyanka R. Patel	Priyanka R. Patel	Priyanka R. Patel	Priyanka R. Patel	-
	Kalpanaben R. Patel	Kalpanaben R. Patel	-	-	-	-
	Dharmendra Shantilal Patel	Dharmendra Shantilal Patel	Dharmendra Shantilal Patel	-	-	-

* Mitul Tradelink ceased to be associate entity with effect from 21.10.2015 and hence transactions with the party have been reported upto the date upto which the party was associate entity.

II. TRANSACTIONS WITH RELATED PARTIES DURING THE RELEVANT YEAR

(Amount Rs. In Million)

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
Mr. Kirit G. Patel	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	1.08	-	0.26	-
	Loan Taken	1.50	(14.98)	17.00	(16.28)	2.30	(3.28)	12.50	(8.68)	1.04	(0.44)	-	-
	Loan Repaid	2.80	-	4.00	-	7.70	-	4.26	-	0.60	-	-	-
	Share Application Money Received	-	-	-	-	-	-	-	-	-	-	11.63	-
	Director Remuneration	0.60	(0.10)	1.20	(0.10)	1.20	(0.10)	1.20	(0.10)	0.20	(0.10)	-	-
Mr. Ramakant K. Patel	Loan Taken	0.69	(5.25)	7.30	(5.66)	-	(3.81)	12.25	(12.71)	1.50	(0.45)	1.20	(1.20)
	Loan Repaid	1.10	-	5.45	-	8.90	-	-	-	2.25	-	-	-
	Director Remuneration	0.30	(0.05)	0.60	(0.05)	0.60	(0.05)	-	-	-	-	-	-
Mr. Karshanbhai H. Patel	Loan Taken	-	(4.80)	9.56	(4.80)	0.80	(1.90)	0.31	(1.11)	0.80	(0.80)	-	-
	Loan Repaid	-	-	6.86	-	-	-	-	-	-	-	-	-
	Share Application Money Received	-	-	-	-	-	-	-	-	-	-	1.50	-

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
	Interest Paid	-	-	0.20	-	-	-	-	-	-	-	-	-
Mr. Rasiklal Valjibhai Patel	Loan Taken	-	-	-	-	-	-	-	-	-	-	2.90	(2.90)
	Loan Repaid	-	-	-	-	-	-	-	-	2.90	-	-	-
	Share Application Money Received	-	-	-	-	-	-	-	-	-	-	0.40	-
Mr. Jayantibhai M. Patel	Loan Taken	-	-	1.30	-	-	-	-	-	-	-	-	-
	Loan Repaid	-	-	1.30	-	-	-	-	-	-	-	-	-
	Share Application Money Received	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Bipin T. Patel	Loan Taken	1.50	-	2.00	-	-	-	-	-	-	-	-	-
	Loan Repaid	1.50	-	2.00	-	-	-	-	-	-	-	-	-
	Salary	0.35	(0.08)	0.60	(0.05)	0.73	(0.05)	0.07	(0.07)	-	-	-	-
Mr. Uttam Patel	Salary	0.20	(0.04)	0.26	(0.03)	0.04	(0.02)	-	-	-	-	-	-

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
Shakti Bhargava	Salary	0.52	(0.12)	-	-	-	-	-	-	-	-	-	-
Dharmendra Singh	Salary	0.57	(0.09)	-	-	-	-	-	-	-	-	-	-
Parth R. Patel	Salary	0.28	(0.07)	-	-	-	-	-	-	-	-	-	-
Asian Granito India Limited	Loan Taken	-	(52.72)	39.98	(53.28)	7.00	(12.38)	-	(11.17)	19.50	(20.69)	13.10	(18.28)
	Loan Repaid	3.74		0.48	-	7.00	-	11.50	-	19.50	-	9.00	-
	Share Application Money Received	-	-	-	-	-	-	-	-	-	-	88.50	-
	Purchase of Raw Materials	-	-	-	-	-	-	0.08		1.41	-	0.21	-
	Sale of Goods	2.05	0.89	7.22	1.64	5.53	1.10	10.71	2.34	7.40	1.47	3.72	2.48
	Interest Paid	3.18	-	1.55	-	1.35	-	2.20	-	2.68	-	3.14	-

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
Krupal Trading Co.	Loan Taken	-	-	-	-	5.50	(0.53)	-	(1.43)	4.55	(6.62)	-	1.73
	Loan Repaid	-	-	0.57	-	6.53	-	5.70	-	-	-	-	-
	Advances Given For Raw Materials	-	-	-	-	-	-	-	-	-	3.14	10.00	12.05
	Amount Recovered Against the Advances Given	-	-	-	-	-	-	3.14	-	8.91	-	-	-
	Purchase of Raw Materials	30.42	(21.38)	55.13	(24.48)	36.65	(14.13)	8.90	-	13.59	-	19.38	-
	Interest Paid	-	-	0.05	-	0.13	-	0.57	-	0.37	-	0.19	-
	Interest Received	-	-	-	-	-	-	-	-	-	-	0.27	-
Mitul Enterprise	Loan Taken	-	-	-	-	-	-	-	-	-	-	12.48	-
	Loan Repaid	-	-	-	-	-	-	-	-	-	-	20.89	-
Shreeji Industries	Loan Taken	-	-	-	-	-	-	-	-	-	(0.50)	-	(0.50)
	Loan Repaid	-	-	-	-	-	-	0.50	-	-	-	-	-
	Purchase of Goods	-	-	-	-	-	-	-	-	-	-	0.17	-

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/(Payable)	Amount of Transaction	Amount Receivable/(Payable)	Amount of Transaction	Amount Receivable/(Payable)	Amount of Transaction	Amount Receivable/(Payable)	Amount of Transaction	Amount Receivable/(Payable)	Amount of Transaction	Amount Receivable/(Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
Shivam Industries	Loan Taken	-	-	-	-	-	-	-	-	-	-	2.04	(3.5)
	Loan Repaid	-	-	-	-	-	-	-	-	3.50	-	0.04	-
	Sale of Goods	-	-	-	-	-	-	-	-	1.42	1.01	-	-
Mitul Tradelink Private Limited	Loan Taken	-	-	-	-	10.00	-	15.50	(16.34)	-	(5.54)	28.39	(30.25)
	Dealer Deposit Taken	-	-	-	-	-	-	-	(16.50)	-	(26.00)	26.00	(26.00)
	Loan Repaid	-	-	-	-	26.34	-	5.41	-	26.31	-	-	-
	Dealer Deposit Repaid	-	-	-	-	16.50	-	9.50	-	-	-	-	-
	Purchase of Goods	-	-	-	-	-	-	-	-	-	-	0.55	-
	Interest Paid	-	-	-	-	0.38	-	0.79	-	1.77	-	2.07	-
	Sale of Goods	-	-	-	-	168.81	-	232.06	77.02	212.07	71.71	56.53	35.44
	Commission Paid	-	-	-	-	-	-	-	-	0.02	-	-	-
Devkinandan Paper Mills Pvt. Ltd.	Sale of Capital Goods	-	-	-	-	-	-	-	-	-	-	1.00	-

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
Shreerangam Packaging Pvt. Ltd.	Loan Taken	1.90	(10.78)	1.00	(10.18)	5.00	(9.74)	-	(3.94)	1.04	(3.94)	-	(2.55)
	Loan Repaid	1.91	-	1.62	-	-	-	-	-	-	-	-	-
	Interest Paid	0.61	-	1.18	-	0.89	-	0.47	-	0.39	-	-	-
	Sale of Goods	-	-	-	-	-	-	-	-	-	-	2.39	2.39
Krishna Builders	Loan Taken	-	-	-	-	7.50	(8.19)	-	-	-	-	-	-
	Loan Repaid	-	-	7.50	-	-	-	-	-	-	-	-	-
	Interest Paid	-	-	0.98	-	0.76	-	-	-	-	-	-	-
Specific Ceramics Limited	Loan Taken	-	-	-	-	5.00	-	-	-	-	-	-	-
	Loan Repaid	-	-	-	-	5.00	-	-	-	-	-	-	-
Jyoti Industries	Loan Taken	-	-	-	-	5.00	(5.00)	-	-	-	-	-	-
	Loan Repaid	-	-	5.00	-	-	-	-	-	-	-	-	-

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
Sarathi Agrotech	Loan Taken	-	-	-	-	19.80	(19.80)	-	-	-	-	-	-
	Loan Repaid	-	-	19.80	-	-	-	-	-	-	-	-	-
Mr. Jasvantbhai V. Patel	Loan Taken	-	-	-	-	-	-	-	-	-	-	0.20	(0.20)
	Loan Repaid	-	-	-	-	-	-	-	-	0.20	-	-	-
	Share Application Money Received	-	-	-	-	-	-	-	-	-	-	6.70	-
Mr. Divyang J. Patel	Loan Taken	-	-	-	-	-	-	-	-	-	-	0.90	(0.90)
	Loan Repaid	-	-	-	-	-	-	-	-	0.90	-	-	-
Mr. Vivek R. Patel	Loan Taken	-	-	-	-	-	-	-	-	-	-	0.08	(0.08)
	Loan Repaid	-	-	-	-	-	-	-	-	0.08	-	-	-
	Share Application Money Received	-	-	-	-	-	-	-	-	-	-	0.82	-
Mr. Kirit G.	Loan Taken	-	-	-	-	-	-	-	-	-	(0.13)	0.13	(0.13)

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
Patel-HUF	Loan Repaid	-	-	-	-	-	-	0.13	-	-	-	-	-
Mrs. Kusumben Rasiklal Patel	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	1.00	-
	Loan Taken	-	-	-	-	-	-	-	-	-	-	0.50	(0.50)
	Loan Repaid	-	-	-	-	-	-	-	-	0.50	-	-	-
Mrs. Hashumatiben Jasubhai Patel	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	1.10	-
Mr. Prakashbhai Chaturbhai Patel	Loan Taken	-	-	4.90	-	0.50	(0.50)	2.97	-	15.61	-	3.70	(3.70)
	Loan Repaid	-	-	5.40	-	-	-	2.97	-	19.31	-	-	-
Mrs. Tanviben Chintanbhai Patel	Loan Taken	-	-	-	-	-	-	-	-	-	-	0.80	(0.80)
	Loan Repaid	-	-	-	-	-	-	-	-	0.80	-	-	-

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
Mr. Harsh Ramakantbhai Patel	Loan Taken	1.00	(10.80)	10.00	(11.90)	-	(1.90)	0.50	(1.90)	3.00	(3.00)	-	-
	Loan Repaid	2.10	-	-	-	-	-	1.60	-	-	-	-	-
Mr. Bharatbhai P. Patel	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	1.08	-	-	-
Mrs. Taraben K. Patel	Loan Taken	-	-	-	-	0.40	(1.00)	0.20	(0.60)	0.40	(0.40)	-	-
	Loan Repaid	-	-	1.00	-	-	-	-	-	-	-	-	-
Mr. Rohit K. Patel	Loan Taken	-	-	6.56	-	0.52	(1.77)	0.70	(1.75)	1.35	(1.05)	-	-
	Loan Repaid	-	-	8.33	-	0.50	-	-	-	0.30	-	-	-
	Salary	0.03	(0.03)	-	-	-	-	-	-	-	-	-	-
Mr. Rajendra K. Patel	Share Application Money Received	-	-	-	-	-	-	-	-	-	-	0.80	(0.02)
	Loan Taken	3.50	(3.50)	6.18	-	5.33	(7.73)	6.20	(7.60)	1.40	(1.40)	-	-

Name of the Related Party	Nature of Transactions	For the Six Months Period Ended September 30, 2017		2016-17		2015-16		2014-15		2013-14		2012-13	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the Six Months Period Ended September 30, 2017	As At September 30, 2017	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014	For the year Ended March 31, 2013	As At March 31, 2013
	Loan Repaid	-	-	13.91	-	5.20		-	-	-	-	-	-
Mrs. Subhadraben R. Patel	Loan Taken	-	-	-	-	0.45	(0.88)	0.20	(0.43)	0.23	(0.23)	-	-
	Loan Repaid	-	-	0.88	-	-	-	-	-	-	-	-	-
Mrs. Priyanka R. Patel	Loan Taken	-	-	-	-	0.20	(1.58)	1.25	(1.38)	0.13	(0.13)	-	-
	Loan Repaid	-	-	1.58	-	-	-	-	-	-	-	-	-
	Salary	0.18	(0.03)	0.36	(0.03)	-	-	-	-	-	-	-	-
Mrs. Kalpanaben R. Patel	Loan Taken	0.50	-	0.50	-	-	-	-	-	-	-	-	-
	Loan Repaid	0.50	-	0.50	-	-	-	-	-	-	-	-	-
Mr. Dharmendra Shantilal Patel	Loan Taken	-	-	-	-	1.50	(1.50)	-	-	-	-	-	-
	Loan Repaid	-	-	1.50	-	-	-	-	-	-	-	-	-

ANNEXURE XXXV

RESTATED STATEMENT OF KEY ACCOUNTING RATIOS

(Amount Rs. In Million)
(No. of Shares In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	For the Year Ended March 31,				
		2017	2016	2015	2014	2013
I. Restated PAT As Per Statement of Profit & Loss	94.55	99.59	60.85	41.29	(30.21)	(41.48)
II. Weighted Average Number of Equity Shares At The End of The Year	32.50	32.50	32.50	31.07	27.01	13.04
III. Number of Shares Outstanding At The End of The Year	32.50	32.50	32.50	32.50	31.00	27.00
IV. Net Worth	540.30	453.19	353.59	292.75	236.46	226.67
V. Earnings Per Share (I/II)						
- Basic (in Rs.)	2.91	3.06	1.87	1.33	(1.12)	(3.18)
- Diluted (in Rs.)	2.91	3.06	1.87	1.33	(1.12)	(3.18)
VI. Return on Net Worth (%)	17.50	21.98	17.21	14.11	(12.78)	(18.30)
VI. Net Assets Value Per Share (Rs.)	16.62	13.94	10.88	9.01	7.63	8.40
VII. Nominal Value Per Share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

Notes:

- The Ratios have been computed on the basis of the Restated Summary Financial Statements.
- The Ratio have been computed as per the following formulas:

Sr. No.	Particulars	Formula
a.	Basic Earnings Per Share (Rs.)	$\frac{\text{Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares Outstanding During Year}}$
b.	Diluted Earnings Per Share (Rs.)	$\frac{\text{Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares Outstanding During Year}}$
c.	Return on Net Worth (%)	$\frac{\text{Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders}}{\text{Net Worth As At The End Of The Year}}$
d.	Net Assets Value Per Share (Rs.)	$\frac{\text{Net Worth As At The End Of The Year}}{\text{Total Number of Equity Shares Outstanding As At The End Of The Year}}$

- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
- Net worth for ratios mentioned represents sum of share capital and reserves and surplus (surplus in the statement of profit and loss).
- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

CAPITALISATION STATEMENT AS AT SEPTEMBER 30, 2017

ANNEXURE XXXVI

(Amount Rs. In Million)

Particulars	Pre-Issue	Post-Issue
I. BORROWINGS		
A.SHORT TERM DEBTS	513.78	[●]
B. LONG TERM DEBTS	413.54	[●]
TOTAL DEBTS (I)	927.32	[●]
II. SHAREHOLDERS' FUND		
C. EQUITY SHARE CAPITAL	325.00	[●]
D. RESERVES & SURPLUS-AS RESTATED	215.30	[●]
TOTAL SHAREHOLDERS' FUND (II)	540.30	[●]
E. LONG TERM DEBTS/EQUITY (B/II)	0.77	[●]
F. TOTAL DEBTS/EQUITY (I/II)	1.71	[●]

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.
- The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.
- Short term debts represents borrowings due within 12 months from the date of balance sheet.
- Long term debts represents borrowings due after 12 months from the date of balance sheet and includes current maturities of long term debts.
- Long Term Debts/Equity has been computed as:

$$\frac{\text{Long Term Debts}}{\text{Total Shareholders' Fund}}$$
- Total Debts/Equity has been computed as:

$$\frac{\text{Total Debts}}{\text{Total Shareholders' Fund}}$$

ANNEXURE XXXVII

RESTATED STATEMENT OF TAX SHELTER

(Amount Rs. In Million)

Particulars	For the Six Months Period Ended 30 September, 2017	As At March 31,				
		2017	2016	2015	2014	2013
I. Profit/(Loss) Before Tax As Restated	70.94	84.66	63.56	59.68	(14.05)	(20.60)
II. Tax Rates						
A. Income Tax	33.06%	33.06%	30.90%	30.90%	30.90%	30.90%
B. Minimum Alternate Tax Rate	20.39%	20.39%	20.39%	20.01%	19.06%	19.06%
III. Income Considered Under Other Heads of Income						
Rent Income	0.09	0.36	0.36	0.24	0.39	0.36

Particulars	For the Six Months Period Ended 30 September, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Less: Standard Deductions Section 24(a) of Income Tax Act, 1961	(0.03)	(0.11)	(0.11)	(0.07)	(0.12)	(0.11)
Net Income Under Other Heads of Income	0.06	0.25	0.25	0.17	0.28	0.25
IV. Net Adjustments for Allowance/Disallowances:						
C. Permanent Differences						
- Effects of Allowances/Disallowances	0.02	2.99	2.32	0.02	0.40	0.15
- Income Under Other Head of Income	(0.09)	(0.36)	(0.36)	(0.24)	(0.39)	(0.36)
D. Timing Differences						
- Book Depreciation	17.05	32.45	27.94	26.60	31.92	10.06
- Effects of Allowances/Disallowances	-	(0.47)	0.22	0.23	0.05	1.86
- Provision for Doubtful Debts	-	3.71	-	-	-	-
- Income Tax Depreciation Allowance	(38.70)	(88.72)	(94.29)	(70.99)	(82.81)	(94.03)
V. Set off For Carried Forward Unabsorbed Depreciation/Unabsorbed Business Losses						
Unabsorbed Business Losses	-	(4.86)	-	(15.30)	-	-
Unabsorbed Depreciation	(49.22)	(29.65)	-	(0.17)	-	-
VI. Net Adjustments (IV+V)	(71.00)	(84.91)	(64.17)	(59.84)	(50.83)	(82.32)
VII. Taxable Income (I+III-VI)	-	-	(0.36)	-	(64.60)	(102.67)
VIII. Book Profit						
Profit/(Loss) Before Tax As Restated	70.94	84.66	63.56	59.68	(14.05)	(20.60)
Add: Interest On Income Tax	2.18	3.01	2.12	-	-	-
Add: Provision for Doubtful Debts	-	3.71	-	-	-	-
Less: Unabsorbed Depreciation/Unabsorbed Business Losses As per Books Whichever is Lower	-	-	-	(10.58)	-	-
Restated Profit/(Loss) As Per Section 115JB	73.12	91.37	65.68	49.10	(14.05)	(20.60)
IX. Income Tax on Restated Taxable Income (VII*II(A))	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
X. MAT On Restated Book Profit (VIII*II(B))	14.91	18.63	13.39	9.82	N.A.	N.A.
XI. TAX Paid As Per Normal Rate of MAT	MAT	MAT	MAT	MAT	N.A.	N.A.

Notes:

1. The Permanent and Timing Differences and other adjustments have been computed based on the return of income filed by the company for the respective years as adjusted for restatement effects.
2. The Tax Rates include basic rate, applicable surcharge, education cess and secondary & higher secondary education cess as applicable for respective years.
3. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXXVIII

RESTATED STATEMENT OF CONTINGENT LIABILITIES

(Amount Rs. In Million)

Particulars	As At September 30, 2017	As At March 31,				
		2017	2016	2015	2014	2013
Bank Guarantee to PGVCL As Security Deposit for Electricity Supply	13.53	13.53	7.59	7.59	7.59	4.60
Bank Guarantee to GPCB	-	-	-	-	0.50	-
CENVAT Credit Disallowed and Penalty Thereon	5.29	5.29	-	-	-	-
Income Tax Liabilities	0.82	0.82	-	-	-	-
T O T A L	19.65	19.65	7.59	7.59	8.09	4.60

Notes:

- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

S.N. SHAH & ASSOCIATES

S.N. Shah

B.Com., LL.B., F.C.A., DISA(ICA)

Firoj G. Bodla B.Com , F.C.A.

Priyam S. Shah B. Com., F.C.A.

Palak K. Patel B. Com., F.C.A.

Kaivan R. Parekh B. Com., A.C.A.

Chartered Accountants

"SAPAN HOUSE", 10-B Government Servant
CO-Operative Society,
Opp. Municipal Market,

C.G. Road,
Ahmedabad - 380 009
Phone: 079-40098280

INDEPENDENT AUDITORS' REPORT

Report on the Special Purpose Interim Condensed Standalone Indian Accounting Standards (Ind AS) Financial Statements

To,
The Board of Directors,
ASTRON PAPER & BOARD MILL LIMITED
D-702, SEVENTH FLOOR GANESH MERIDEN,
OPP:- HIGH COURT, S.G.HIGHWAY,
AHMEDABAD, GUJARAT -380060.

Dear Sirs,

Re.: Proposed Public Issue of Equity Shares of Astron Paper & Board Mill Limited

At your request, as per the terms of our engagement letter August 24, 2017, we have audited the accompanying Special Purpose Interim Condensed Standalone Ind AS Financial Statements of Astron Paper & Board Mill Limited ("the Company") which comprises the Interim Condensed Standalone Balance Sheet as at 30 September 2017, the Interim Condensed Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Interim Condensed Standalone Statement of Cash Flows and Interim Condensed Standalone Statement of Changes in Equity for the six months then ended and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Special Purpose Standalone Condensed Ind AS Financial Statements

The Company's Board of Directors is responsible with respect to the preparation and presentation of the accompanying special purpose interim condensed standalone Ind AS financial statements in accordance with the basis of accounting described in Note 2.1 therein. This responsibility also includes maintenance of internal controls relevant to preparation and presentation of the special purpose interim condensed standalone Ind AS financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these special purpose interim condensed standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose interim condensed standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the special purpose interim condensed standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose interim condensed standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial controls relevant to the Company's preparation and fair presentation of the special purpose interim condensed standalone Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the special purpose interim condensed standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these special purpose interim condensed standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the special purpose interim condensed standalone Ind AS financial statements as at and for the six months ended 30 September 2017 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2.1 to the accompanying special purpose interim condensed standalone Ind AS financial statements

Emphasis of Matter

We draw attention to the Note 2.1 to the accompanying special purpose interim condensed standalone Ind AS financial statements, which describes the basis of accounting and presentation and further states that the comparative financial information has not been included in these standalone financial statements. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the state of affairs (financial position) of the Company, profit (financial performance including other comprehensive income), cash flows and the changes in equity. Our opinion is not modified in respect of this matter.

Other matter

The Company has prepared the accompanying special purpose interim condensed standalone Ind AS financial statements for the purpose of inclusion in the offer document, prepared by the Company in connection with the proposed initial public offer (the IPO). Accordingly, this report should not be used, quoted, referred to or distributed, in whole or in part, for any other purpose without our prior written consent.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not be used, referred to or distributed for any other purpose except with our consent in writing.

**For, S.N. SHAH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO.: 109782W**

**FIROJ G. BODLA
PARTNER
M. NO.: 126770
Date: NOVEMBER 7, 2017
Place: AHMEDABAD**

Special Purpose Interim Condensed Standalone Balance Sheet as at 30 September 2017

(All amounts in Rupees Millions, except share data and unless otherwise stated)

Particulars	As At 30 September, 2017
ASSETS	
Non-Current Assets	
Property, Plant and Equipment	791.95
Capital work-in progress	16.90
Investment Property	2.23
Other Intangible Assets	0.46
Financial Assets	
(i) Investments	0.03
Other Non-Current Assets	0.13
Total Non-Current Assets-[1]	811.70
Current Assets	
Inventories	415.23
Financial assets	
(i) Trade receivables	464.38
(ii) Cash and Cash Equivalent	62.17
Other Current Assets	69.53
Total Current Assets-[2]	1,011.31
TOTAL ASSETS [1+2]	1,823.01
EQUITY AND LIABILITIES	
Equity	
Equity Share Capital	325.00
Other Equity	215.30
Total Equity –[1]	540.30
Liabilities	
Non-Current Liabilities	
Financial Liabilities	
(i) Borrowings	347.82
(ii) Other Financial Liabilities	41.00
Provisions	1.89
Deferred Tax Liabilities (net)	19.89
Other Non-Current Liabilities	0.00
Total Non-Current Liabilities-[2]	410.60

Current Liabilities	
Financial Liabilities	
(i) Borrowings	513.78
(ii) Trade Payables	250.13
(iii) Other Financial Liabilities	19.05
Other Current Liabilities	0.00
Current Maturities of Long Term Debts	65.71
Provisions	4.81
Current Tax Liabilities (net)	18.63
Total Current Liabilities-[3]	872.11
TOTAL EQUITY AND LIABILITIES [1+2+3]	1,823.01

**For, S.N. SHAH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO.: 109782W**

**FIROJ G. BODLA
PARTNER
M. NO.: 126770
Date: NOVEMBER 7, 2017
Place: AHMEDABAD**

Special Purpose Interim Condensed Standalone Statement of Profit and Loss for the period from 01 April to 30 September 2017

(All amounts in Rupees Millions, except share data and unless otherwise stated)

Particulars	For The Six Months Ended 30 September, 2017
Revenue	
Revenue from Operations	1,109.53
Other Income	0.09
Total Revenue	1,109.61
Expenses	
Cost of Material Consumed	721.95
Changes in inventories of finished goods, stock in trade and work in progress	(19.76)
Employees' Benefit Expenses	42.20
Finance Costs	58.21
Depreciation and Amortisation	17.05
Other Expenses	219.02
Total Expenses	1038.67
Profit Before Tax	70.94
Income Tax Expense	
Current tax	14.91
MAT Credit Available	(14.91)
Deferred tax	23.61
Total Income Tax Expense	23.61
Profit for The Period	94.55
Other Comprehensive Income/ (Loss)	
Items that will not be reclassified to profit or loss (net of tax)	0.00
Other comprehensive income/ (loss) for the period, net of income tax	0.00
Total Comprehensive Income For the Period	0.00
Earnings per equity share :	
(i) Basic	2.91
(ii) Diluted	2.91

**For, S.N. SHAH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO.: 109782W**

FIROJ G. BODLA
PARTNER
M. NO.: 126770
Date: NOVEMBER 7, 2017
Place: AHMEDABAD

Special Purpose Interim Condensed Standalone Statement of Cash Flow for the period from 01 April to 30 September 2017

(All amounts in Rupees Millions, except share data and unless otherwise stated)

Particulars	For The Six Months Ended 30 September, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit/Loss Before Tax	70.94
Depreciation and Amortization	17.06
Interest & Finance Charges	58.21
Rent Income	(0.09)
Provision for Gratuity	0.45
Others-Earlier Year Expenses	(0.09)
Operating Profit before Working Capital Changes	146.48
Adjustment for:-	
Inventories	8.40
Trade Receivables	(115.10)
Loans & Advances and Other Current Assets	19.69
Trade Payables	(2.18)
Other Financial Liabilities	(2.80)
Other Non-Current Liabilities	(0.06)
Provisions and Other Liabilities	1.22
Cash Generated From Operations	55.65
Taxes Paid	0.00
Net Cash From Operating Activities	55.65
Fixed Assets	(7.20)
Capital Work In Progress	(16.90)
Rent Income	0.09
Net Cash From Investing Activities	(24.01)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Loans Raised During the Period	35.36
IPO Expenses	(7.22)
Interest & Finance Charges	(58.21)

Net Cash From Financing Activities	(30.07)
D. Net changes in Cash & Cash equivalents	1.57
E. Opening Cash & Cash Equivalents	60.60
F. Closing Cash & Cash Equivalents	62.17

**For, S.N. SHAH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO.: 109782W**

**FIROJ G. BODLA
PARTNER
M. NO.: 126770
Date: NOVEMBER 7, 2017
Place: AHMEDABAD**

Notes to restated summary statements of assets and liabilities, profits and losses and cash flows

Note No. 1: Corporate information

Astron Paper & Board Mill Limited is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's operations comprises of manufacturing of Kraft Paper.

Note No. 2:

2.1 Basis of preparation

The Company's management had previously issued its audited financial statements for the year ended 31 March 2017 on 1st May, 2017 that were prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules, 2014 ('Previous Indian GAAP').

With effect from 1 April 2017, the Company is required to prepare its financial statements in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ('the Act') (including subsequent amendments thereto) and other relevant provisions of the Act. Accordingly, the Company's management has now prepared the Special Purpose Interim Condensed Standalone Ind AS financial statements which comprise the Interim Condensed Standalone Balance Sheet as at 30 September 2017, the Interim Condensed Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Interim Condensed Standalone Statement of Cash Flows and the Interim Condensed Standalone Statement of Changes in Equity for the six months period ended 30 September 2017 and summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Interim Condensed Standalone Ind AS Financial Statements").

These Special Purpose Interim Condensed Standalone Ind AS Financial Statements have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016, and accordingly, all the disclosures as required under Ind AS have not been furnished in these Standalone Financial Statements. These Special Purpose Interim Condensed Standalone Ind AS Financial Statements are prepared for the purpose of inclusion in the offer document, prepared by the Company in connection with the proposed initial public offer (the IPO). The Company will prepare and issue its first complete standalone Ind AS financial statements as at and for the year ending 31 March 2018. Only a complete set of standalone financial statements together with comparative financial information can provide a fair presentation of the state of affairs (financial position) of the Company, profit (financial performance including other comprehensive income), cash flows and the changes in equity. While preparing the Special Purpose Interim Standalone Condensed Financial Statements under Ind AS for the six months period ended 30 September 2017, relevant comparative financial information has not been included in these standalone financial statements.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied.

2.2 Basis of measurement

These standalone financial statements have been prepared on the historical cost basis.

2.3 Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.4 Measurement of fair values

The Company's accounting policies and disclosures require/ may require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements.

2.5 Reconciliations between previous GAAP and Ind AS Ind AS

Ind AS 101 requires the Company to reconcile equity, total comprehensive income and cash flows for prior periods in respect of items requiring reconciliations between earlier GAAP and Ind AS. There were no material adjustments in the previous period due to transition to Ind AS, hence, no reconciliation is required.

Note No. 3: Summary of significant accounting policies

3.1 Property, plant and equipment and depreciation

3.1.1. Initial recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

3.1.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.1.3 Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

3.2 Depreciation:

The Depreciation on Fixed Assets is provided on straight line method for the period of acquisition/construction i.e. from the period from which such assets were available for their intended use on pro-rata basis on the basis of useful life of each of the fixed assets as per Schedule II of the Companies Act, 2013 and in the manner specified in Schedule II of the Companies Act, 2013 except freehold land and other related development on that land. The plant & machineries are depreciated at the rates applicable to continuous process plant for the period for which respective plant & machineries were available for use.

The intangible assets have been depreciated on pro-rata basis over period of their estimated useful lives on straight line basis i.e. @ 20.00%.

3. 3 Inventories:

Inventories of Raw Materials, Packing Materials, Stores & Spares, Fuel and Work-in-Process have been valued at cost. Finished Goods have been valued at cost or net realisable value whichever is lower. Costs in respect of all items of inventories have been computed on FIFO basis. The cost of Raw Materials, Consumable Stores and items of Spares comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. The purchase price does not include CENVAT/VAT credit availed of by the Company during the year. Work-in-Process includes cost of Raw Materials and conversion cost depending upon the stage of completion as determined. The cost of Finished Goods includes cost of conversion and other costs incurred in bringing the inventories to their present location and conditions. The Finished Goods are valued at cost after availing of the CENVAT/VAT credit on input materials.

3.4 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable and amounts receivable for sale of goods made in the normal course of business. The Company recognised Sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. Income from investments, where appropriate, is taken into revenue in full on declaration or accrual and tax deducted at source thereon is treated as advance tax. The claim against the imported raw materials on account of quality difference has been accounted on the basis of claims filed and accepted by the supplier of materials except in case claims pending for acceptance which have been accounted on the basis of claims filed.

3.5 Foreign Currency Transactions:

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

3.6 Investments:

Investments that are intended to be held for more than a year from the date when such investments were made, are classified as long term (non-current) investments. The long term investments are carried at cost of acquisition. Investments that are readily realisable and are intended to be held for not more than a year from the date when such investments are made, are classified as current investments. All investments are, initially recognised at cost.

3.7 Employee Retirement Benefits:

The employee benefits include company's contribution to recognized Employee Provident Fund and Gratuity Fund.

Defined Contribution Plan

The company's contribution to Employee Provident Fund is considered as Defined Contribution Plan and is charged to the Statement of Profit & Loss as expenses for the year in which contribution made.

Defined Benefit Plan

The Liabilities in respect of retirement benefits to eligible employees in the form of Gratuity are provided on the basis of Actuarial Valuation as per Ind AS-19 "Employee Benefits". The employee's gratuity fund scheme is managed by IndiaFirst Life Insurance Company Limited. The cost of providing defined benefits plans in the form of gratuity is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. The actuarial losses/(gains) are recognized in the Statement of Profit & Loss for the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and reduced by the fair value of plan assets.

Short Term Employee Benefits

The short term employee benefits in the form of production incentives are recognized in the period in which the employees render the services.

3.8 Borrowing Costs:

The borrowing cost incurred during the period have been debited to the Statement of Profit and Loss of the current year.

3.9 Segment Reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The dominant source of income of the company is from the sale of kraft paper of various quality which do not materially differ in respect of risk perception and the return realized/to be realized.

3.10 Taxes on Income:

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

The MAT Credit available as per the Income Tax Act, 1961 has been recognized as assets where there is convincing evidence that the asset can realized in future for adjustment against the income tax liabilities are being reviewed as at each Balance Sheet date for reasonableness of its realization.

3.11 Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

3.12 Provisions, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognised.

3.13 Earning per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

3.14 Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

3.15 Operating Cycle:

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

**For, S.N. SHAH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REG. NO.: 109782W**

**FIROJ G. BODLA
PARTNER
M. NO.: 126770
Date: NOVEMBER 7, 2017
Place: AHMEDABAD**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which is included in this Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements, as restated for the period ended September 30, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 including the related notes and reports, included in this Red Herring Prospectus is 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 and Indian Accounting Standards. Except as disclosed under the chapter titled 'Special Purpose Interim Condensed Ind AS Financial Statements' at page F-71, we have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS or Indian Accounting Standards. Our Financial Statements, as restated have been derived from our audited statutory financial statements. Accordingly, the degree to which our Restated 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 contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 17 and 16, respectively, and elsewhere in this Red Herring Prospectus.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

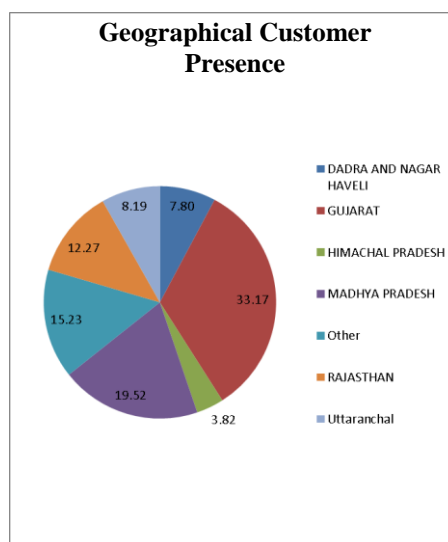
The industry information herein has not been prepared or independently verified by us or any of our advisors including the BRLM, and should not be relied on as if it had been so prepared or verified. We accept no responsibility in respect of such information, data and statistics including updating the data and statistics to the date of this Red Herring Prospectus. Such information, data and statistics may be approximations or use rounded numbers.

I. Overview

Incorporated in 2010, our Company, Astron Paper and Board Mill Limited is engaged in manufacturing of kraft paper. Within a short span of time, our Company has developed a name for itself in kraft paper industry and we have been able to establish a brand associated with qualitative and comprehensive range of kraft papers. We mainly cater to packaging industry and have been able to develop a loyal clientele network consisting of various packaging companies and MNCs. Currently we are operating in domestic markets with our products being supplied on pan India basis. We are also in the process of exploring export markets.

We believe that we are one of the major kraft paper manufacturers in Gujarat with our manufacturing facility having an installed capacity of 96,000 mt p.a. as on the date of this RHP. Our manufacturing facility is situated at Halvad, Gujarat and is well equipped with requisite plant and machineries and other facilities. We also have in house testing laboratory for quality control checks and testing of our products. We endeavour to maintain safety in our premises by adhering to key safety norms. Our manufacturing and dispatch process has been assessed and certified as meeting the requirements of ISO 9001: 2015, ISO 14001: 2015 by an international organisation viz. SGS United Kingdom Ltd. With increasing environmental awareness, our Company has since its inception adopted the use of waste paper as raw material instead of traditional usage of wood. The process of manufacturing Kraft paper involves recycling of waste paper and with many organisations, now supporting the Go Green Campaign, it increases the demand of FSC certified Kraft paper as the same is eco-friendly. We have been environmentally conscious and our products have been certified as meeting relevant FSC Standards since 2014 by SGS South Africa (Pty) Ltd.

Our product Kraft paper is used by packaging industry for manufacturing corrugated boxes and liners, corrugated sacks and composite containers. We offer varied products like High RCT, Kraft Liner, Liner to Corrugated Medium Paper, ranging mainly from 140 GSM to 350 GSM and 22-35 BF. We endeavor to serve our customers, each having different requirements of Ring Crust test (RCT), Gram square meter (GSM) and



weight pressure. Our Company mainly imports raw material for ensuring better quality of output. We have also been accredited with Authorised Economic Operator- T1 Certificate (Importer and Exporter) which provides us with certain benefits in relation to our imports and helps in cost savings.

Our Company is promoted by Kirit G. Patel, Ramakant Patel, Karshanbhai Patel and Asian Granito (India) Limited.

Our Individual Promoters manage and control the major affairs of our business operations. With their dedication and commitment, our Company has shown an increasing trend in our business operations which is evidenced by the growth in our total income from Rs. 267.27 million in FY 2012-13 to Rs. 1,845.89 million in FY 2016-17. We believe that our market position has been achieved by adherence to the vision of our Promoters and senior management and their experience.

Our registered office is situated at Ahmedabad. We have a dedicated marketing team who continuously interacts with customers to understand their requirements and analyse the market dynamics. We have also been actively participating and associated with the Federation of Corrugated Box Manufacturers of India and Indian Corrugated Case Manufacturers Association. We aim to establish our brand as a distinguished name in industry.

From FY 2013-14 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 1,061.98 million to Rs. 1,845.89 million, representing a CAGR of 14.82% ii) our EBITDA has shown growth from Rs. 113.32 million to Rs. 230.06 million, representing a CAGR of 17.95% iii) our profit after tax has shown growth from Rs. a loss of Rs. (30.21) million to a profit of Rs. 99.59 million and iv) our Return on networth has shown a growth from (12.78)% to 21.98%. Our restated total revenue, EBITDA and profit after tax for the six months ended September 2017 was ₹ 1,109.61 million, ₹ 146.20 million and ₹ 94.55 million respectively, with an EBITDA margin of 13.18% and PAT margin of 8.52%.

II. Significant Factors Affecting Our Results of Operations

The following is a discussion of certain factors that have had, and continue to have, a significant effect on our financial results:

Conditions affecting the end user industries and markets for Packaging Industry

We are manufacturing Kraft Paper which is utilised for manufacturing of corrugated packaging boxes. These boxes are used by many industries namely FMCG goods, consumer durable goods, automobiles, distillery products, package food industry, soft drinks bottling plants, etc. for their packing requirement. Accordingly, sales of our Kraft paper are directly dependent on these industries. The end user industries and geographic markets which our products are targeted at may be impacted by global economic or industry conditions, including seasonal trends, volatile fuel prices; rising employee costs and challenges in maintain amicable labour relations as well as compliance with evolving regulatory requirement, government initiatives, trade agreements and other factors. Any significant industry downturns in such industries, as well as economic downturns in our geographic markets may significantly affect our revenues from sale of Kraft Paper across periods and geographies.

Raw material Cost

Our expenditure on materials consumed constitutes the most significant component of our operating expenses. In fiscal years 2015, 2016, 2017 and for the six months period ended September 30, 2017 expenditure on materials consumed constituted 66.38%, 64.97% 62.81% and 69.51% respectively, of our total expenses, and 63.78%, 62.36% 59.93% and 65.06% of our total revenues for such periods. Our financial condition and results of operations are significantly impacted by the availability and cost of our raw materials and incur the most significant cost to our business.

We procure our major raw material i.e. waste paper through imports from overseas suppliers. For the year ended March 31, 2017, 88.43% of our raw material consumption was attributable to imports, while 11.57% was attributable to Indian suppliers. For the six months period ended September 30, 2017, 90.91% of our raw material consumption was attributable to imports, while 9.09% was attributable to Indian suppliers While we are not significantly dependent on any single raw material supplier, supply and pricing of our raw materials can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation, competition, import duties, tariffs and currency exchange rates. We cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms. Further, we usually do not enter into long term supply contracts with any of our raw material suppliers and the absence of long term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require. While we endeavour to pass on all raw material price increase to customers, in the event that we are unable to compensate for or pass on our increased costs to

end-consumers, such price increases could have an adverse impact on our result of operations, financial condition and cash flows.

Foreign currency fluctuations

Our Restated Financial Information is presented in Indian Rupees. However operating expenses and finance charges are influenced by the currencies of those countries from where we purchase our raw material i.e. waste Paper for example, the United States of America and Europe. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. Dollar and the Euro has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future as well.

For example, during times of weakening of the Indian Rupee, we expect that our cost of raw material will increase and our business operations will generally be negatively impacted as foreign currency required to be paid on translation will require higher Indian Rupees. However, the converse positive effect on strengthening of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations.

For more details, see “Risk Factors”, “Industry Overview” and “Our Business”, on pages 17, 116 and 143 of this RHP respectively.

Significant Accounting Policies

1. Use of estimates:

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management’s best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

2. Fixed Assets:

The Fixed Assets are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Fixed Assets comprises of their purchase price including freight, duties, taxes or levies, directly attributable cost of bringing the assets to their working conditions for their intended use. The Company capitalises its Fixed Assets at a value net of CENVAT/VAT received/receivable during the year in respect of eligible Capital Goods. Subsequent expenditures on Fixed Assets have been capitalised only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance. The assets that are under construction/erection or not fully acquired and therefore not available for productive use are shown as “Capital Work in Progress” under fixed assets and will be capitalized on completion of the construction/erection/acquisition activities.

The Fixed Assets disposed off/destroyed during the year have been eliminated from the books at their cost of acquisition and accumulated depreciation thereon upto the date of disposal has been written back. The consequent loss on disposal has been debited to the statement of profit & loss for the year.

The Intangible Assets of Accounting Software, Server Software, Website Development etc. have been recognised at their cost of acquisition. On the basis of the availability of these assets for their intended use, relevant contractual agreements and technological changes that may affect the usefulness of these assets, the useful lives of these assets have been assumed to be of five years from the date of their acquisition.

3. Depreciation:

For the Financial Years 2014-15, 2015-16 & 2016-17 and for the six months period ended September 30, 2017

The Depreciation on Fixed Assets is provided on straight line method for the period of acquisition/construction i.e. from the period from which such assets were available for their intended use on pro-rata basis on the basis of useful life of each of the fixed assets as per Schedule II of the Companies Act, 2013 and in the manner specified in Schedule II of the Companies Act, 2013 except freehold land and other

related development on that land. The plant & machineries are depreciated at the rates applicable to continuous process plant for the period for which respective plant & machineries were available for use.

As at the beginning of the financial year, the management of the company had assessed the useful life of each of the fixed assets on the basis of technical specifications of the respective assets and had determined that the estimated useful life of fixed assets will in all probability be as per Part-C of Schedule-II.

The amount of depreciation for the year has been derived by subtracting five per cent of the original cost of each of the assets as salvage value from the carrying amount respective assets as per the books of account as at the commencement of the year and the cost of acquisition in case of assets acquired during the year and such remaining carrying value or cost has been depreciated over the remaining years of useful life of assets.

The intangible assets have been depreciated on pro-rata basis over period of their estimated useful lives on straight line basis i.e. @ 20.00%.

For the Financial Year 2012-13 and 2013-14

The Depreciation on Fixed Assets is provided on straight line method for the period of acquisition/construction i.e. from the period from which such assets were available from their intended use on pro-rata basis at the rates and manner specified in Schedule XIV of the Companies Act, 1956 except freehold land and other related development on that land. The plant & machineries are depreciated at the rates applicable to continuous process plant for the period for which respective fixed assets were available for use.

The Depreciation on Assets costing up to Rs. 5,000 has been provided @ 100.00%

The intangible assets have been depreciated on pro-rata basis over period of their estimated useful lives on straight line basis i.e. @ 20.00%.

4. Inventories:

Inventories of Raw Materials, Packing Materials, Stores & Spares, Fuel and Work-in-Process have been valued at cost. Finished Goods have been valued at cost or net realisable value whichever is lower. Costs in respect of all items of inventories have been computed on FIFO basis. The cost of Raw Materials, Consumable Stores and items of Spares comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. The purchase price does not include CENVAT/VAT credit availed of by the Company during the year. Work-in-Process includes cost of Raw Materials and conversion cost depending upon the stage of completion as determined. The cost of Finished Goods includes cost of conversion and other costs incurred in bringing the inventories to their present location and conditions. The Finished Goods are valued at cost after availing of the CENVAT/VAT credit on input materials.

5. Revenue Recognition:

All income and expenses are accounted on accrual basis. The Company recognised Sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. Income from investments, where appropriate, is taken into revenue in full on declaration or accrual and tax deducted at source thereon is treated as advance tax. The claim against the imported raw materials on account of quality difference has been accounted on the basis of claims filed and accepted by the supplier of materials except in case claims pending for acceptance which have been accounted on the basis of claims filed.

6. Foreign Currency Transactions:

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

7. Investments:

Investments that are intended to be held for more than a year from the date when such investments were made, are classified as long term (non-current) investments. The long term investments are carried at cost of acquisition.

Investments that are readily realisable and are intended to be held for not more than a year from the date when such investments are made, are classified as current investments. All investments are, initially recognised at cost.

8. Employee Retirement Benefits:

The employee benefits include company's contribution to recognized Employee Provident Fund and Gratuity Fund.

Defined Contribution Plan

The company's contribution to Employee Provident Fund is considered as Defined Contribution Plan and is charged to the Statement of Profit & Loss as expenses for the year in which contribution made.

Defined Benefit Plan

The Liabilities in respect of retirement benefits to eligible employees in the form of Gratuity are provided on the basis of Actuarial Valuation as per AS-15. The employee's gratuity fund scheme is managed by India First Life Insurance Company Limited. The cost of providing defined benefits plans in the form of gratuity is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. The actuarial losses/(gains) are recognized in the Statement of Profit & Loss for the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and reduced by the fair value of plan assets.

Short Term Employee Benefits

The short term employee benefits in the form of production incentives are recognized in the period in which the employees render the services.

9. Borrowing Costs:

The proportionate share of borrowing costs incurred i.e. interest in respect of acquisition and installation for fixed assets (qualifying assets) during the period in which these qualifying assets were under construction, acquisition and installation, have been treated as part of cost of respective fixed assets and have been capitalised as part of the cost of respective qualifying assets to make them ready for their intended use. The eligible borrowing costs have been allocated to respective eligible assets in the proportion of the cost of acquisition/construction of respective eligible assets upto the date when such assets were put to use. A qualifying asset is one which takes substantial period of time to get ready for its intended use.

The borrowing cost other than those capitalised as above have been debited to the Statement of Profit and Loss of the current year.

10. Taxes on Income:

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

The MAT Credit available as per the Income Tax Act, 1961 has been recognized as assets where there is convincing evidence that the asset can realized in future for adjustment against the income tax liabilities are being reviewed as at each Balance Sheet date for reasonableness of its realization.

11. Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

12. Provisions, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure

of prudence, the contingent assets are not recognised.

13. Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

14. Operating Cycle:

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

15. Earnings per Share

The earnings per share as per AS-20 "Earning Per Share" has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

Revenue and Expenditure

Revenue: Our revenue comprises of revenue from operations and other income

Revenue from operations: Our revenue from operations comprises of revenue from sale of manufacturing and trading of kraft paper. Revenue from operations further includes revenue from scrap sales, amounted collected from customers towards insurance.

Other Income: Our other income comprises of rent income, sundry balances written back, discount, profit on sale of instruments, interest on fixed deposits with bank, insurance claim from loss of goods and sundry balances written back etc.

Expenses: Our expenses comprise of cost of material consumed, purchase of stock in trade, changes in inventories of finished goods, traded goods and work in progress, employee benefit expenses, finance cost, depreciation and amortisation expenses and other expenses.

Cost of goods sold: Cost of goods sold consists of cost of material consumed, purchase of stock in trade and changes of inventories of finished goods, traded goods and work in progress.

Cost of material consumed consists of expenditure on raw materials which primarily includes waste paper and chemicals. We source waste paper mainly from overseas suppliers. The chemical requirement is source from domestic suppliers.

Purchase of stock in trade consist of purchase of multilayer Kraft Paper which are sold by us as traded goods

Changes in inventory of finished goods, traded goods and work in progress consist of change in our inventory of finished goods and work in progress as at the beginning and end of the year.

Employee benefit expense: Our employee benefit expense consists of salary and wages, director's remuneration, employee allowances, security charges, contribution to provident fund & other fund, provision for gratuity expenses and staff welfare expense.

Finance costs: Our finance costs comprises of interest on term loan, vehicle loan, Unsecured loan and working capital, other interest charges, LC discounting charges, bank charges and processing fees.

Depreciation and amortisation expenses: Tangible and intangible assets are depreciated and amortised over periods corresponding to their estimated useful lives. See "Significant Accounting Policies – Depreciation" above on page 196 of this Red Herring Prospectus.

Other expenses: Our other expenses primarily include other manufacturing expenses such as stores & spares consumed, power & fuel, packing material, repairs and maintenance expenses etc. and administrative and selling and distribution expenses such as rebate and discount, freight and cartage on sales, loss on foreign exchange fluctuation, legal and professional fees etc .

Results of operations

(In ₹ Million)

Particulars	For the six months ended September 30, 2017	% of total revenue	March 31, 2017	% of total revenue	March 31, 2016	% of total revenue	March 31, 2015	% of total revenue
Revenue								
Revenue from Operations	1,109.52	99.99%	1832.65	99.28%	1574.94	99.77%	1519.13	99.85%
Other Income	0.09	0.01%	13.24	0.72%	3.60	0.23%	2.24	0.15%
Total Revenue	1,109.61	100.00%	1845.89	100.00%	1578.53	100.00%	1521.37	100.00%
Expenses								
Cost of material consumed	721.95	65.06%	1106.27	59.93%	984.32	62.36%	970.26	63.78%
Purchase of stock-in-trade	-	-	56.55	3.06%	17.91	1.13%	0.00	0.00%
Changes in inventory of finished goods, traded goods, and work in progress	(19.76)	(1.78)%	11.39	0.62%	0.08	0.01%	(5.07)	(0.33)%
Employee benefit expenses	42.20	3.80%	77.22	4.18%	66.33	4.20%	63.77	4.19%
Finance Costs	58.21	5.25%	112.95	6.12%	107.01	6.78%	106.96	7.03%
Depreciation and amortization expenses	17.05	1.54%	32.45	1.76%	27.94	1.77%	26.60	1.75%
Other expenses	219.02	19.74%	364.40	19.74%	311.38	19.73%	299.17	19.66%
Total Expenses	1,038.67	93.61%	1761.24	95.41%	1514.97	95.97%	1461.69	96.08%
Profit / (Loss) before taxation	70.94	6.39%	84.66	4.59%	63.56	4.03%	59.68	3.92%
Tax Expenses								
Current Tax	14.91	1.34%	18.63	1.01%	13.39	0.85%	9.82	0.65%
Deferred Tax (Asset)/	(23.61)	(2.13)%	(14.94)	(0.81)%	2.72	0.17%	18.39	1.21%

Liability								
Less: MAT Credit	(14.91)	(1.34)%	(18.63)	(1.01)%	(13.39)	(0.85)%	(9.82)	(0.65%)
Total Tax Expenses	(23.61)	(2.13)%	(14.94)	(0.81)%	2.72	0.17%	18.39	1.21%
Net Profit/(Loss) after taxation	94.55	8.52%	99.59	5.40%	60.85	3.85%	41.29	2.71%

Discussion on the Results of Operations

Six months period ended September 30, 2017

Total Revenue

Revenue from operations: Our revenue from operations amounted to Rs. 1,109.52 million for the six months ended September 30, 2017. The revenue from operations mainly consisted of revenues from sale of different range of Kraft Paper.

Other income: Our other income amounted to Rs. 0.09 million for the six months ended September 30, 2017. Our other income consisted of rent income during this period.

Total Expenses

- a *Cost of goods sold:* Cost of goods sold amounted to Rs. 702.19 million for the six months ended September 30, 2017.
- b *Cost of materials consumed:* Our cost of material consumed amounted to Rs. 721.95 million for the six months ended September 30, 2017, consisting primarily of costs incurred on waste paper and chemicals.

Changes in Inventories of finished goods, traded goods and work in progress: Our changes in inventory of finished goods, traded goods and work in progress amounted to net increase of Rs. 19.76 million for the six months ended September 30, 2017. This was attributable to the inventory of finished goods maintained by our Company.

Employee benefits expense: Our employee benefits expense amounted to Rs. 42.20 million for the six months ended September 30, 2017. This was primarily attributable to salaries & wages of Rs. 38.43 million, representing 3.46% of our total revenue, director's remuneration of Rs. 0.90 millions, employee allowances of Rs. 0.21 millions, contribution to provident and other funds of Rs. 0.88 millions, contribution to employee gratuity of Rs. 0.45 millions, staff welfare expenses of Rs. 0.71 million and security charges of Rs. 0.62 millions. Further there was increase in our head count also leading to increase in employee benefit expenses.

Finance costs: Our finance costs amounted to Rs. 58.21 million for the six months ended September 30, 2017. This was primarily attributable to interest expense of Rs. 42.59 million, representing 3.84% of our total revenue, on borrowings undertaken by our Company to fund our capital expenditure and working capital expenditure. Further processing charges of Rs. 5.59 million were incurred during the six months ended September 30, 2017 on account of enhancement of working capital limits from Rs. 425.00 million to Rs. 525.00 million and takeover of term loan and working capital loan of Rs. 110.01 million by Union Bank of India from Corporation Bank.

Depreciation and amortisation expense: Our depreciation and amortisation expense amounted to Rs. 17.05 million representing 1.54% of our total revenue for the six months ended September 30, 2017.

Other expenses: Our other expenses amounted to Rs. 219.02 million, representing 19.74% of our total revenue for the six months ended September 30, 2017. The other expenses were primarily attributable to (i) manufacturing expenses of Rs. 192.08 million, representing 17.31% of our total revenue attributable to the production undertaken during the six months ended September 30, 2017; (ii) loss on foreign exchange fluctuations of Rs. 8.88 million, representing 0.80% of our total revenue due to exchange rate difference on imports; (iii) Quality Complaints charges of Rs. 3.92 million, representing 0.35% of our total revenue; and (iv) commission on sales of Rs. 3.51 million, representing 0.32% of our total revenue attributable to the sale of our products.

Profit before tax: Our restated profit before tax amounted to Rs. 70.94 million, representing 6.39% of our total revenue for the six months ended September 30, 2017.

Tax expenses: Our current tax (MAT) was Rs. 14.91 million and the MAT credit entitlement was Rs. (14.91) millions for the six months ended September 30, 2017. Further our deferred tax credit was Rs. 23.61 million for the six months ended September 30, 2017 which was due to unabsorbed depreciation as per Income Tax Act, 1961.

Profit after tax for the year, as Restated: Due to the factors mentioned above, our profit after tax was Rs. 94.55 million, and representing 8.52% of our total revenue for the six months ended September 30, 2017.

Fiscal 2017 compared to Fiscal 2016

Total Revenue

Our total revenue increased by 16.94% to Rs. 1,845.89 million in financial year 2017 from Rs. 1,578.53 million in financial year 2016 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 16.36% to Rs1832.65 million in financial year 2017 from Rs1,574.94 million in financial year 2016. The increase in revenue from operations was mainly due to increase in installed and utilized capacity due to modification in plant and machinery by addition of dryers.

Other income: Our other income increased by 268.25% to Rs13.24 million in financial year 2017 from Rs. 3.60 million in financial year 2016. This increase was primarily due to increase in interest on fixed deposits with bank, insurance claim from loss of goods and sundry balances written back. Our other income as a percentage of total revenue was 0.72% for financial year 2017 as compared to 0.23% for financial year 2016.

Total Expenses

Our total expenses increased by 16.26% to Rs. 1,761.24 million in financial year 2017 from Rs. 1,514.97 million in financial year 2016, due to the factors described below:

- c *Cost of goods sold:* Cost of goods sold increased by 17.15% to Rs. 1,174.21 million in financial year 2017 from Rs. 1,002.31 million in financial year 2016.
- d *Cost of material consumed:* Our cost of material consumed increased by 12.39% to Rs. 1,106.27 million in financial year 2017 from Rs. 984.32 million in the financial year 2016. The increase was mainly due to increase in our sales volume.
- e *Purchase of Stock-in trade:* Our purchase of stock-in trade increased by 215.71% to Rs56.55 million in financial year 2017 from Rs17.91 million in financial year 2016. This increase was primarily due to increase in our trading volume of multilayer kraft paper.

Changes in Inventories of finished goods, traded goods and work in progress: Our changes in inventory of finished goods, traded goods and work in progress changed by 14023.13%to ₹11.39 million in financial year 2017 from ₹0.08 million in financial year 2016. This was primarily due to lower level of closing stock at end of financial year 2017 compared to financial year 2016.

Employee benefits expense: Our employee benefits expense increased by 16.42% to Rs. 77.22 million in financial year 2017 from Rs. 66.32 million in financial year 2016. This increase was primarily due to an increment in salary of employees and contribution to provident fund and staff welfare expenses.

Finance costs: Our finance costs increased by 5.56% to ₹112.96 million in financial year 2017 from ₹107.01millionin financial year 2016.While interest on unsecured loans increased from ₹7.31 million in financial year 2016 to ₹ 13.32 million in financial year 2017 and L/c discounting charges increased from ₹ 1.96 million in financial year 2016 to 4.65 million in financial year 2017, this was offset by decrease in interest on term loan ₹ 40.62 million in financial year 2017 from ₹ 47.39 million in financial year 2016.

Depreciation and amortisation expense: Our depreciation and amortisation expense increased by 16.13% to Rs. 32.45 million in financial year 2017 from Rs. 27.94 million in financial year 2016. This was due to increase in fixed assets in financial 2017. Our tangible assets increased to Rs. 918.67 million in financial year 2017 from Rs.843.21 million in financial year 2016.

Other expenses: Our other expenses increased by 17.03% to Rs. 364.40 million in financial year 2017 from Rs. 311.38 million in financial year 2016. This increase was due to an increase in our manufacturing expenses such as power and fuel charges and stores and spares, provision of doubtful debts, sales promotion expenses, rebate and discount, rent expenses, travelling charges, etc.

Profit before tax: Our restated profit before tax increased by 33.19% to Rs. 84.66 million in financial year 2017 from Rs. 63.56 million in financial year 2016. The increase was in lines with increase in the sale of finished goods and slightly due to increase in margins.

Tax expenses: Our tax expenses decreased by 649.84% to ₹ (14.94 million) in financial year 2017 from ₹ 2.72 million in financial year 2016. The decrease in tax expenses was due to creation of deferred tax asset on unabsorbed business losses and depreciation.

Profit after tax for the year, as Restated: Due to the factors mentioned above, our profit after tax increased by 63.68% from Rs. 60.85 million in financial year 2016 to Rs. 99.59 million in financial year 2017.

Fiscal 2016 Compared to Fiscal 2015

Total Revenue

Our total revenue increased by 3.76% to Rs. 1,578.53 million in financial year 2016 from Rs1521.37 million in financial year 2015 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 3.67% to Rs1574.94 million in financial year 2016 from Rs1519.13 million in financial year 2015. This increase was primarily due to increase in sale volume.

Other income: Our other income increased by 60.85% to Rs3.60 million in financial year 2016 from Rs2.24 million in financial year 2015. This increase was primarily due to increase in interest on fixed deposits, sundry balances written back and income from rent. Our other income as a percentage of total revenue was 0.23% for financial year 2016 as compared to 0.15% for the financial year 2015.

Total Expenses

Our total expenses increased by 3.65% to Rs. 1514.97 million in financial year 2016 from Rs. 1461.69 million in financial year 2015, due to the factors described below:

- a *Cost of goods sold:* Cost of goods sold increased by 3.85% from Rs. 965.18 million in financial year 2015 to Rs1002.31 million in financial year 2016.
- b *Cost of material consumed:* Our cost of material consumed slightly increased by 1.45% to Rs. 984.32 million in financial year 2016 from Rs. 970.26 million in the financial year 2015.
- c *Purchase of Stock-in trade:* Our Company started trading of Kraft papers and thus, purchase of stock-in trade for the financial year 2016 amounted to Rs. 17.91 million.

Changes in Inventories of Finished Goods, traded goods and work in progress: Our changes in inventories of Finished Goods, traded goods and work in progress increased to Rs 0.08 million in financial year 2016 from Rs. (5.07) million in financial year 2015.

Employee benefits expense: Our employee benefits expense increased by 4.00% to Rs. 66.33 million in financial year 2016 from Rs. 63.77 million in financial year 2015. This increase was due to an increase in staff welfare, director remuneration and contribution to the provident fund.

Finance costs: Our finance costs increased by 0.05% to Rs. 107.01 million in financial year 2016 from Rs. 106.96 million in financial year 2015. The increase was mainly due to increase in interest on delay payment of taxes, other bank charges, L/c discounting, interest on Cash credit which was offset by decrease in interest on term loan, vehicle loan and unsecured loan.

Depreciation and amortisation expense: Our depreciation and amortisation expense increased by 5.06% to Rs. 27.94 million in financial year 2016 from Rs. 26.60 million in financial year 2015. Our tangible assets increased to Rs. 843.21 million in financial year 2016 from Rs. 726.30 million in financial year 2015.

Other expenses: Our other expense increased by 4.08% to Rs311.38 million in financial year 2016 from Rs. 299.17 million in financial year 2015. This increase was mainly due to repairs and maintenance and selling and distribution expenses such as rebate & discount, freight & cartage on sales which was mainly offset by decrease in loss on foreign exchange fluctuation.

Profit before tax: Our profit before tax increased by 6.50% to Rs 63.56 million in financial year 2016 from Rs 59.68 million in financial year 2015. The increase was in lines with increase in sales and slightly due to increase in margins.

Tax expenses: Our tax expenses decreased by 85.23% to Rs2.72 million in financial year 2016 from Rs18.39 million in financial year 2015. This was due to lower creation of deferred tax liability on account of reduced timing differences on fixed assets.

Profit after tax for the year, as Restated: Due to the factors mentioned above, our profit after tax increased by 47.35% from Rs41.29 million in financial year 2015 to Rs. 60.85 million in financial year 2016.

Other Key Ratios

Particulars	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Fixed Asset Turnover Ratio*	1.37	2.28	2.11	2.27
Debt Equity Ratio	1.72	1.97	2.22	2.47
Current Ratio	1.16	1.15	1.18	1.14
Inventory Turnover Ratio*	2.65	4.72	4.54	5.31

***Not annualised**

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Information.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Information.

Current Ratio: This is defined as current assets divided by current liabilities, based on Restated Financial Information.

Inventory Turnover Ratio: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Financial Information.

Liquidity and Capital Resources

Over the past three years, we have been able to finance our working capital requirements through cash generated from our operations, bank loans and facilities. We have relied on cash from internal resources, Issue of shares and loans from banks to finance the working capital requirement and expansion of our business and operations. We believe that after taking into account the IPO Proceeds, expected cash to be generated from our business and operations and the proceeds from our bank loans, we have sufficient working capital for our present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Red Herring Prospectus.

The table below summarises our cash flows from our Restated Financial Information of cash flows for the six months ended September 30, 2017 and for the financial year 2017, 2016 and 2015:

(In ₹ million)

	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Net cash generated from operating activities	55.65	80.00	156.94	107.22
Net cash (used) in investing activities	(24.01)	(84.39)	(103.52)	(19.47)
Net cash generated from financing activities	(30.07)	12.00	(33.98)	(82.45)
Net increase/ (decrease) in cash and cash equivalents	1.57	7.62	19.44	5.31
Cash and Cash Equivalents at the beginning of the period	60.60	52.98	33.54	28.23
Cash and Cash Equivalents at the end of the period	62.17	60.60	52.98	33.54

Operating Activities

Six months ended September 30, 2017

Our net cash generated from operating activities was ₹ 55.65 million for the half year ended September 30, 2017. Our operating profit before working capital changes was ₹ 146.48 million in half year ended September 30, 2017, which was primarily adjusted by increase in trade receivables of ₹ 115.10 million, decrease in inventory of ₹ 8.40 million, decrease in loans and advances of ₹ 19.70 million, increase in trade payables of ₹ 2.18 million and current liabilities of ₹ 1.65 million.

Financial year 2017

Our net cash generated from operating activities was ₹ 80.00million in financial year 2017, as a result of total cash generated from operations of ₹ 93.95 million which was partially offset by direct tax paid of ₹13.94 million. Our operating profit before working capital changes was ₹ 223.68 million in financial year 2017, which was primarily adjusted by decrease in trade receivables of ₹ 18.43million, increase in inventory of ₹ 70.76 million, increase in loans and advances of ₹ 9.37 million, increase in long term liabilities of ₹ 88.10 million, decrease in trade payables of ₹ 17.70 million and current liabilities of ₹ 2.37 million.

Financial year 2016

Our net cash generated from operating activities was ₹ 156.94 million in financial year 2016, as a result of total cash generated from operations of ₹ 167.25 million which was partially offset by direct tax paid of ₹ 10.31 million. Our operating profit before working capital changes was ₹ 193.99 million in financial year 2016, which was primarily adjusted by an increase in trade receivables of ₹ 85.96 million, increase in inventory of ₹ 11.27 million, increase in loans and advances of ₹ 1.41 million, decrease in long term liabilities of ₹ 43. 15 million, decrease in trade payables of ₹ 31.04 million and increase in current liabilities of ₹ 2.30 million.

Financial year 2015

Our net cash generated from operating activities was ₹ 107.22 million in financial year 2015, as a result of total cash generated from operations of ₹ 107.47 million which was partially offset by direct tax paid of ₹ 0.02 million. Our operating profit before working capital changes was ₹ 195.53 million in financial year 2015, which was primarily adjusted by an increase in trade receivables of ₹ 1.21 million, increase in inventory of ₹111.55 million, decrease in loans and advances of ₹19.26 million, increase in long term liabilities of ₹ 0.86 million, decrease, in trade payables of ₹ 4.65 million and current liabilities of ₹1.72 million and increase in other non current assets of ₹ 0.06 million.

Investing Activities

Six months ended September 30, 2017

Net cash used in investing activities was ₹ 24.01 million in six months ended September 30, 2017. This was primarily on account of purchase of fixed assets of ₹ 24.10 million which was partly offset by proceeds received from rent income of ₹ 0.09 million.

Financial year 2017

Net cash used in investing activities was ₹ 84.39 million in financial year 2017. This was primarily on account of purchase of fixed assets of ₹ 89.41 million which was partly offset by proceeds received from sale of investments of ₹ 0.63 million, rent income of 0.36 million and interest income of ₹ 4.04 million.

Financial year 2016

Net cash used in investing activities was ₹ 103.52 million in financial year 2016. This was primarily on account of purchase of fixed assets of ₹ 106.14 million. This amount was partly offset by proceeds received from sale of fixed assets of ₹ 0.42 million, rent income ₹ 0.36 million and interest income of ₹ 2.37 million.

Financial year 2015

Net cash used in investing activities was ₹ 19.47 million in financial year 2015. This was primarily on account of purchase of fixed assets of ₹ 21.65 million. This amount was partly offset by interest income of ₹ 1.94 million and rent income of ₹ 0.24 million.

Financing Activities

Six months ended September 30, 2017

Net cash used in financing activities in half year ended September 30, 2017 was ₹ 30.07 million, which was due to payment of interest and other financial charges of ₹ 58.21 million, decrease in short term borrowings of ₹51.51 million, capital raising expenses of ₹ 7.22 million and was offset by increase in long term borrowings of ₹ 86.87 million.

Financial year 2017

Net cash generated from financing activities in financial year 2017 was ₹ 12.00million which primarily consisted of increase of long term borrowings of ₹ 51.13 million and short term borrowings of ₹ 58.46 million. This amount was offset by payment of interest and financial charges of ₹ 97.59 million.

Financial year 2016

Net cash used in financing activities in financial year 2016 was ₹ 33.98 million which was due to payment of interest and other financial charges of ₹ 94.71 million and was offset by increase in long term borrowings of ₹18.04 million and short term borrowings of ₹ 42.70 million.

Financial year 2015

Net cash used in financing activities in financial year 2015 was ₹ 82. 45 million which primarily consisted of repayment of long term borrowings of ₹ 43.57 million, payment of interest charges of ₹ 98.69 million and payment of capital raising charges of ₹ 0.11 million. This amount was offset by increase in short term borrowings of ₹ 44. 93 million and proceeds from share capital of ₹ 15.00 million.

Borrowings

As on March 31, 2017, the total outstanding borrowings of our Company aggregated to Rs 891.95 million, which includes long-term borrowings of Rs.384.87 million, short-term borrowings of Rs.426.91 million and, current portion of secured long term borrowings, of Rs. 80.17 million. As on September 30, 2017, the total outstanding borrowings of our Company aggregated to Rs. 927.32 million, which includes long-term borrowings of Rs. 347.82 million, short-term borrowings of Rs.513.78 million and, current portion of secured long term borrowings, of Rs. 65.72 million. For further details, refer to the chapter titled, Financial Indebtedness beginning on page 215 of this Red Herring Prospectus.

Secured Borrowings

Long term borrowings

(₹ in million)

Particulars	September 30, 2017	March 31, 2017
From Banks: Term loan	145.72	167.63
Vehicle Loan		
From Bank	0.72	1.09
From financial institutions	0.77	0.94
Total	147.21	169.65

Short term borrowings

(₹ in million)

Particulars	September 30, 2017	March 31, 2017
Cash credit loan from bank	289.32	253.85
Buyer's credit from bank	224.46	171.80
Total	513.78	425.65

Current maturities of long term debt

(₹ in million)

Particulars	September 30, 2017	March 31, 2017
Term loan	64.78	79.28
Vehicle loan- from bank	0.67	0.65
Vehicle loan- from bank/ financial institutions	0.27	0.25
Total	65.72	80.18

Unsecured Borrowings: Long term borrowings

(₹ in million)

Particulars	September 30, 2017	March 31, 2017
Loan from director, relatives and shareholders	51.73	38.64
Inter Corporate loans	148.88	176.57
Total	200.61	215.21

Unsecured Borrowings: Short term borrowings

(₹ in million)

Particulars	September 30, 2017	March 31, 2017
Inter Corporate Loans	-	1.27
Total	-	1.27

In the event, any of our lenders declare an event of default, this could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Related Party Transactions

Related party transactions with certain of our promoters and directors primarily relates to remuneration payable, loans taken and Issue of Equity Shares. For further details of such related parties under AS18, see— *Financial Statements, as restated – Annexure XXXIV – Restated Statement of Related Parties Transactions*” on page F-53” of this Red Herring Prospectus.

Contingent Liabilities

As of March 31, 2017 and September 30, 2017, the contingent liabilities are given below:

(In Rs. million)

Particulars	September 30, 2017	March 31, 2017
Bank guarantee to PGVCL as security deposit for electricity supply	13.53	13.53
CENVAT Credit Disallowed and Penalty Thereon	5.29	5.29
Income Tax Liabilities	0.83	0.83
Total	19.65	19.65

It is not practical for the Company to estimate the timings of cash outflow, if any in respect of above pending resolutions of the respective proceedings. For further details, see Financial Statements beginning on page 194 of this Red Herring Prospectus.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk*Financial Market Risks*

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds. As on September 30, 2017, our indebtedness consists of floating rate interest. Since we do not have any forward contracts to hedge against interest rate risk, any upward fluctuations in interest rates may increase the cost of both existing and new debts.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in — Financial Statements beginning on page 194, there has been no reservations, qualifications and adverse remarks.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in— Financial Statements beginning on page 194, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 1, 2015 up to March 31, 2017 and for the six months ended September 30, 2017.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals and during the period ended September 30, 2017.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in the chapter titled "Risk Factors" beginning on page 17 of this Red Herring Prospectus.

Known Trends or Uncertainties that Have Had or are Expected to Have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Other than as described in the section titled "Risk Factors" on page 17 and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are Known

Other than as described in —Risk Factors| and this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three financial years areas explained in the part financial year 2017 compared to financial year 2016, financial year 2016 compared to financial year 2015.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our business is limited to a single reportable segment.

Competitive Conditions

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the paper industry / sector in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "Risk Factors" on page 17.

Increase in income

Increases in our income are due to the factors described above in —Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations and Risk Factors beginning on pages 196 and 17, respectively.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in this RHP, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Suppliers or Customers

Our top five customers contribute to 42.53% and 49.38% of our total revenue from operations for the period ended September 30, 2017 and for the year ended March 31, 2017, respectively. Our top ten customers contribute to 60.06% and 65.14% of our total revenue from operations for the period ended September 30, 2017 and for the year ended March 31, 2017, respectively.

Our top ten suppliers contribute to 73.42% and 62.45 % of our total purchases for the period ended September 30, 2017 and for the year ended March 31, 2017, respectively.

Our top five suppliers contribute to 51.60% and 42.51% of our total purchases for the period ended September 30, 2017 and for the year ended March 31, 2017, respectively.

Seasonality of Business

The nature of business is not seasonal.

Significant Developments After September 30, 2017 that May Affect Our Results of Operations

Except as set out in this Red Herring Prospectus and as disclosed below, in the opinion of the Board of Directors of our Company and to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Our Company has participated in the Public E-Auction on November 30, 2017 held by Union Bank of India, Bhuj Branch, Gujarat under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 for the sale of Property consisting of Factory Land admeasuring area 17600 square metres with building and installed machineries at village Chubdak, Anjar-Bhuj Highway, Tal Bhuj owned by Eco Green Paper Product Private Limited.

Union Bank of India, Bhuj; vide letter dated November 30, 2017, has accepted the bid of our Company of Rs. 8.15 Crores, being the highest bid in the auction to acquire the said property as mentioned above. Our Company has already paid an amount of Rs. 81 Lakhs on November 27, 2017 towards Earnest money Deposit (“**EMD**”). As per the terms of auction, our Company was required to pay 25% of the bid amount of Rs. 8.15 crores on the day of auction, which was November 30, 2017. Accordingly, our Company has duly deposited the same being Rs.1,22,75,000/- less the EMD. Further, Union Bank of India has directed our Company to pay balance 75% of the bid amount being Rs. 6,11,25,000 within 15 days from the day of auction. For further details please refer to Risk Factor 21 appearing on page 25.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN PREVIOUS INDIAN GAAP AND IND AS

The Restated Financial Statements of our Company included in this Red Herring Prospectus are presented in accordance with Previous Indian GAAP and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI, together with the schedules, notes and annexures thereto. Previous Indian GAAP differs from Ind AS in certain respects. The matters described below cannot necessarily be expected to reveal all material differences between Previous Indian GAAP and Ind AS which are relevant to us. This is not an exhaustive list of differences between Previous Indian GAAP and Ind AS; rather, it indicates only those differences that we believe will be more relevant to our financial position and results of operations, and to the presentation of our financial statements. Consequently, there can be no assurance that these are the only material differences in the accounting principles that could have a significant impact on the financial information included in this Prospectus. In making an investment decision, investors must rely upon their own examination of our business, the terms of the offerings and the financial information included in this Red Herring Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the principal differences between existing Previous Indian GAAP and Ind AS and how these differences might affect the financial information included in this document.

The MCA via its notification dated February 16, 2015 states that an “Entity” (which means a ‘company’ as defined in subsection (20) of section 2 of the Companies Act, 2013 or as defined in section 3 of the Companies Act, 1956, as the case may be) shall comply with Ind AS for accounting periods beginning on or after April 1, 2017 (Second Phase), with comparatives for the periods ending on March 31, 2017. Therefore, we will be subject to this notification. For the purpose of this Red Herring Prospectus, we have prepared our Restated Financial Statements under Previous Indian GAAP and have also prepared Special Purpose Interim Condensed Standalone Ind AS Financial Statements of our Company which comprises the Interim Condensed Standalone Balance Sheet as at September 30, 2017, the Interim Condensed Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Interim Condensed Standalone Statement of Cash Flows and Interim Condensed Standalone Statement of Changes in Equity for the six months then ended and summary of significant accounting policies and other explanatory information.

Areas of Difference	Previous Indian GAAP	Ind AS
I. Primary Standard/Literature-Presentation of Financial Statements	AS 1 – Disclosure of Accounting Policies / Schedule III to the Companies Act, 2013 AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Ind AS 1 – Presentation of Financial Statements
Statement of profit or loss and other comprehensive income (statement of comprehensive income)	Statement of profit and loss is the Previous Indian GAAP equivalent of separate statement of profit or loss under Ind AS. Some items such as revaluation surplus, which are treated as “other comprehensive income” under Ind AS, are recognised directly in equity under Previous Indian GAAP. There is no concept of “other comprehensive income” in Previous Indian GAAP.	<p>The statement of profit or loss and other comprehensive income includes all items of income and expense – (i.e. all “non-owner” changes in equity) including:</p> <ul style="list-style-type: none"> i. components of profit or loss; and ii. other comprehensive income (i.e. items of income and expense that are not recognised in profit and loss as required or permitted by other accounting standards under Ind AS). <p>An entity is required to present all items of income and expense including components of other comprehensive income in a period in a single statement of profit and loss.</p>

Areas of Difference	Previous Indian GAAP	Ind AS
Statement of changes in equity	A statement of changes in equity is not presented. Changes/Movements in share capital, retained earnings and other reserves are presented and disclosed in the notes to accounts.	The statement of changes in equity includes the following information: <ul style="list-style-type: none"> i. Total comprehensive income for the period; ii. The effects on each component of equity of retrospective application or retrospective restatement in accordance with Ind AS 8; and iii. For each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change.
Critical judgments by the Management relating to the financial statements	Does not require disclosure of judgments that management has made in the summary of significant accounting policies or other notes.	Requires disclosure of critical judgments made by management in applying accounting policies.
Estimation uncertainty	Does not require an entity to disclose information about the assumptions that it makes about the future and other major sources of estimation uncertainty at the end of the reporting period though other standards may require certain disclosures of the same.	Requires disclosure of key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.
Extraordinary items	Required to be presented separately	Prohibits separate disclosure
II. Primary Standard/Literature	AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
Changes in accounting policies	<p>Changes in accounting policies should be made</p> <ul style="list-style-type: none"> • only if required by statute, • for compliance with an Accounting Standard or • for a more appropriate presentation of the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) <p>together with a disclosure of the impact of the same, if material. If a change in accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should</p>	Requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.

Areas of Difference	Previous Indian GAAP	Ind AS
	be appropriately disclosed.	
III. Primary Standard/Literature	AS 2- Valuation of Inventories	Ind AS 2-Inventories
Inventories – purchases on deferred credit terms	Valued at purchase cost of purchase	Difference between purchase price for normal credit terms and deferred credit terms to be recognised as interest cost.
Inventories – cost formula	Does not expressly mandate use of same cost formula for all inventories having similar nature and use.	Mandates use of same cost formula for all inventories having similar nature and use.
IV. Primary Standard/Literature	AS 11- The Effects of Changes in Foreign Exchange Rates	Ind AS 21- The Effects of Changes in Foreign Exchange Rates
Effects of changes in foreign exchange rates – forward exchange contracts – not intended for trading or speculation	Premium / discount amortised over life of contract and exchange difference charged to Profit and Loss in the period in which it occurs.	Accounted as derivative.
V. Primary Standard/Literature	AS 6 – Depreciation Accounting AS 10 – Accounting for Fixed Assets	Ind AS 16 – Property, Plant and Equipment
Change in method of depreciation	Requires retrospective re-computation of depreciation and any excess or deficit on such re-computation is required to be adjusted in the period in which such change is affected. Such a change is treated as a change in accounting policy and its effect is quantified and disclosed.	Changes in depreciation method are considered as changes in accounting estimate and applied prospectively.
VI. Primary Standard/Literature	AS – 15 – (Revised 2005) – Employee Benefits	Ind AS 19 – Employee Benefits
Actuarial gains and losses	All actuarial gains and losses should be recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
VII. Primary Standard/Literature	AS 22 – Accounting for Taxes on Income	Ind AS 12 – Income Taxes

Areas of Difference	Previous Indian GAAP	Ind AS
Deferred income Taxes	Taxes Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.
VIII. Primary Standard/Literature	AS 29 – Provisions, Contingent Liabilities and Contingent Assets	Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
Recognition of provisions	Provisions are not recognised based on constructive obligations though some provisions may be needed in respect of obligations arising from normal practice, custom and a desire to maintain good business relations or to act in an equitable manner.	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably.

FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount as may be approved by the shareholders from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on September 30, 2017 our Company has total outstanding secured borrowings from banks and financial institutions aggregating to ₹ 726.71 Million.

Set forth below is a brief summary of our aggregate borrowings from banks and financial institutions on a consolidated basis as of September 30, 2017:

Category of Borrowing	Sanctioned Amount (in ₹ Million)	Outstanding Amount (in ₹ Million)
Term Loan	529.00	210.50
Working Capital Fund Based	335.00 *^^	319.32
Working Capital Non Fund Based	240.00^^^	237.99
Total Working Capital Limit	575.00	513.78
Total Vehicle Loans	5.48	2.43

*The sanctioned limit of fund base working capital includes interchangeable non fund based limit of Rs 60 Million

^^including sanctioned limit of Rs.30 million for Bill Discounting

^^^Including sanctioned limit of Rs.20 million for Bank Guarantee

Principal terms of the borrowings availed by us from banks and financial institutions:

Interest:

In terms of the loans availed by our Company, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies between different loans. The interest rate for the loans availed by our Company ranges from 11.65 % per annum to 15.70% per annum or the applicable Screen rate or the London Inter Bank Offered Rate (LIBOR) plus 1.50% per annum.

Tenor: The tenor of the term loans availed by our Company typically ranges from 5 years and 9 Months (Five year and Nine Months) years to 7 (Seven) years and 60 (sixty) and 84(Eighty-Four) monthly installments, in respect of vehicle loans.

Security: In terms of our borrowings where security needs to be created, our Company is typically required to:

- Create a paripassu charge on movable and immovable fixed assets of the Company.
- Create a paripassu charge on stocks and receivable and over the entire current assets of our Company to be shared on paripassu basis with other banks providing working capital facilities.
- Create a paripassu charge on all existing and future current assets of the Company.
- Charge on the Vehicle purchased out of the amount financed.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

Re-payment:

The working capital facilities are typically repayable on demand. While certain term loans are repayable on demand, the repayment period for most term loans typically ranges from 5 years and 9 Months (Five year and Nine Months) years to 7 (Seven) years and to 60 (sixty) and (Eighty Four) monthly installments, in respect of vehicle loans.

Restrictive Covenants:

Borrowing arrangements entered into by our Company contain standard events of default, including:

Without prior consent of the aforesaid banks, our Company:

- a) Cannot effect changes in the Company's capital structure.;
- b) Cannot formulate any scheme of amalgamation / reconstitution;
- c) Cannot enter into borrowing arrangement either secured or unsecured with any other Bank (except credit limit under consortium), financial institution, company, firm or persons.
- d) Cannot make any material change in its management setup or any material change in its shareholding pattern or promoter's shareholding which has a possible change in the management control of the Company.
- e) Cannot undertake guarantee obligation on behalf of any other company, firm or persons
- f) Cannot create any further charge, lien or encumbrance over the assets and properties of the Company which are charged to consortium in favour of any other Banks, financial institution, company, firm or persons
- g) Cannot sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank
- h) Cannot make any investment in subsidiary/ associates/ group companies is permitted without approval from lenders.

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

Borrowings availed by us from related parties

In addition to the borrowings availed by us from banks/financial institutions, we have also availed certain Unsecured loans.

Set forth below is a brief summary of Unsecured Loans as of September 30, 2017:

Name of the Lender	Outstanding Amount (in ₹ Million)
Harsh Ramakanthbhai Patel	10.80
Karshanbhai H. Patel	4.80
Kiri G. Patel	14.98
Ramakant Kantibhai Patel	5.25
Aryaman Enterprise Pvt. Ltd.	37.10
Ankur Seeds Private Limited	0.01
Asian Granito India Ltd	52.72
Bajaj Finance Limited	1.49
Dip Varsha Buildcon India Pvt. Ltd.	5.75
Goldleaf Enterprise Pvt Ltd	22.49
Shreerangam Packing Pvt Ltd	10.78
Shree Vadechi Infra Pvt. Ltd.	5.63
Sunrise Finlease Limited	7.22
Unique Speditorer Private Limited	2.50
Rajendrabhai K Patel	3.50
Shantisuru Security P Ltd	5.08
Gurunanak Rupal P Ltd	4.93
Anil Multideal P Ltd	3.05

Tradelink P Ltd	2.03
Kalpanaben Ramakanbhai Patel	0.50
Total	200.61

Tenor/Re-payment:

The Unsecured loan taken from directors and relatives of directors and other entities (except Bajaj Finance Limited) are repayable on demand. Bajaj finance Loan is repayable in 36 (thirty Six) monthly installments.

Interest Rate

Interest rate from loan taken from director and relatives of directors is nil and interest rate on loan taken from other entities ranges from nil to 18.50 % per annum

SECTION VII – LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters, Group Companies. Our Board, in its meeting held on May 01, 2017, determined that outstanding legal proceedings involving the Company, its Directors, Promoters and Material Group Companies: (a) where the aggregate amount involved, in such individual litigation exceeds 1% of the profit after tax of our Company, as per last audited financial statements; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of the profit after tax of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 1% of the profit after tax of the Company, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation ("**Material Litigation**").

B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company; or (vi) material frauds committed against our Company in the last five years.

Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding 5% of the Company's trade for the last audited financial statements shall be considered as material dues for the Company, as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on May 01, 2017.

All terms defined in a particular litigation are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Matters:

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities:

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Assessment Order dated November 13, 2017 issued by the Income Tax Officer, Ward-1(1)(4), Ahmedabad ("the Officer") for the A.Y. 2015-16

An Assessment Order dated November 13, 2017 was issued by the Officer to the Company inter-alia adding Rs. 4,58,900/- on account of disallowance of expenses for increase in the authorized share capital along with a Notice of Demand under Section 156 of the Income –tax Act, 1961. The Company is currently in the process of filing an appeal before the Commissioner of Income Tax (Appeals) against the aforesaid Order dated November 13, 2017.

Notice dated February 23, 2017 issued by Income Tax Officer, Ward 1(1)(4) under Section 242(1) of the I.T. Act to the Company.

The Income Tax Officer Ward -1(1)(4), Ahmedabad has issued a Notice dated February 23, 2017 bearing No.ITO/Wd.1(1)(4)/Wd.1(1)(4)/142(1)/AHPL/2016-17 to the Company requesting the Company to furnish the details/information under Section 142(1) of the I.T Act in respect of the Assessment Year 2015-2016. Such information requests inter alia pertained to details of unsecured loans, increase in share capital, premium received, sundry creditors and outstanding statutory liabilities. The Company has filed its reply dated April 3, 2017 to the aforesaid notice and submitted the details/information as requested.

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	Income Tax	2	Unascertainable
	Total	2	Unascertainable

(ii) **Indirect Tax Liabilities**

Sr. No	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	NIL	NIL	NIL
	Total	NIL	NIL

4. Other Pending Litigations

NIL

B. LITIGATIONS FILED BY OUR COMPANY

1. Litigation Involving Criminal Matters:

Criminal Case No.127 of 2016 filed by the Company against Star Papers and Raghunath Banerjee

The Company has filed a Criminal Case No.127 of 2016 before the Hon'ble Magistrate's Court No.30 at Ahmedabad against Star Papers and Raghunath Banerjee ("Accused") complaining dishonor of cheque of Rs.5,00,000/- issued by the Accused. The Court has issued Summons. The matter is pending.

Criminal Petition Application No. 147/2014 dated May 21, 2014 filed before the Chief Metropolitan Magistrate, Ahmedabad by the Company against (1) Hightech Multiforms, (2) Mehul Kalarthi and (3) The Government (Special Metropolitan Magistrate) collectively the ("Defendants")

The Company filed a Complaint dated May 15, 2014 against (1) Hightech Multiforms ("the Defendant 1"), (2) Mehul Kalarthi ("Defendant 2") under Section 138 and 141 of the Negotiable Instruments Act, 1881 in the Special Metropolitan Magistrate's Court, Ahmedabad. The Company filed the above Petition alleging careless, irresponsible and hateful behavior of the Special Metropolitan Magistrate ("Defendant 3") towards the Company and pleaded that an inquiry under Section 410 of the Code of Criminal Procedure, 1973. The Company in its initial complaint presented a Supreme Court Writ Petition (Civil) no. 18/2013 Indian Bank Association and Others. V/s Union of India and Others K.S. Radhakrishnan which laid down principles for admitting a complaint. Defendant 3 made a note of it and listed the matter for hearing on July 9, 2014. The Company pleaded to issue a summons against Defendant 1 and 2 on the grounds that a Supreme Court judgment lays down directions that the same may be directly in respect of violation by Defendant 1 and Defendant 2 of the provisions of Section 138 of the Negotiable Instruments Act, 1881. However, Defendant 3 did not act upon the same. The Company then presented a complaint with a written application requesting for issuance of summons to Defendant 1 and 2 which was rejected by Defendant 3. The Company therefore filed the aforesaid Criminal Petition Application No. 147/2014 dated May 21, 2014 before the Chief Metropolitan Magistrate's Court, Ahmedabad to initiate inquiry under Section 410 of The Code of Criminal Procedure against Defendant 3. The matter is currently pending.

2. Litigation Involving Actions by Statutory/Regulatory Authorities:

NIL

3. Litigation Involving Tax Liabilities:

i) Direct Tax Liabilities

Appeal dated February 6, 2017 filed by the Company against the Appellate Order, dated December 21, 2016 passed by the Commissioner of Income Tax.

The Company had declared a loss of Rs.10,26,68,857/- in Return of Income filed on September 28, 2013 by the Company in respect of the Assessment Year 2013-14. A Notice dated September 4, 2014 and a notice bearing No.1/ITO WD 1(1)(4)/282/2015-16 dated 21st November, 2016, was issued under Section 143(2) of the Act to the Company by the Income-Tax authorities. Further a Notice under Section 142(1) of the I.T. Act calling for the certain details was also issued to the Company by the Income-tax authorities. The Income-tax Officer, Ward-1(1)(4), Ahmedabad passed an Assessment Order dated January 29, 2016 ("the Assessment Order") and disallowed the expenses, amounting Rs.3,88,500/- under Section 35D of the I.T Act on the grounds that expenses incurred for increasing authorized share capital are not covered under the provisions of the Section

35D(2) of the I.T Act. Aggrieved by the aforementioned Assessment Order, the Company filed an Appeal dated February 16, 2016, before Hon'ble Commissioner of Income Tax (Appeals), challenging the Assessment Order. The Company also filed additional submissions dated December 7, 2016 before the Hon'ble Commissioner of Income-tax Appeals -1 in the matter. The Commissioner of Income Tax vide Appellate Order dated December 21, 2016, ("**Appellate Order**") dismissed the Appeal of the Company and confirmed the addition of the amount of Rs.3,88,500/- made under the Assessment Order. The Company further filed an Appeal dated February 6, 2017, against the aforesaid Appellate Order dated December 21, 2016 before the Appellate Tribunal under Section 250 of the I.T Act. The matter is pending.

Appeal dated December 8, 2016 filed by the Company in respect of Assessment Year 2014-15

The Company had declared a loss of Rs.6,36,83,513/- in the Return of Income filed by it on September 30, 2014, under the I.T Act in respect of Assessment Year 2014-2015. A Notice dated September 3, 2015 was issued under Section 143(2) of the I.T. Act to the Company by the income-tax authorities. Further due to change in jurisdiction another Notice dated May 16, 2016 was issued to the Company under Section 142(1) of the I.T. Act. The Income-Tax Assessment Officer passed an Assessment Order dated November 29, 2016 ("**the Assessment Order**") under Section 143(3) against the Company inter alia disallowing the expenses amounting to Rs.4,36,400/- under Section 35D of the I.T. Act on the ground that expenses incurred for increasing authorized share capital are not covered under the provisions of Section 35D of the I.T Act and that expenses of capital nature cannot be allowed under Section 37 of the I.T Act. The Company's income was assessed under Section 143(3) of the I.T. Act and interest was charged under Section 234A, 234B, 234C and 234D of the I.T. Act. Aggrieved by the Assessment Order, the Company filed an Appeal dated December 8, 2016 under Section 246A(1)(a) of the I.T. Act before the Hon'ble Commissioner of Income Tax (Appeals) challenging the Assessment Order. Subsequently, the CIT-A passed an Order dated September 28, 2017 inter-alia dismissing the Company's Appeal. The Company is currently in the process of filing a further appeal before the ITAT.

Appeal dated March 27, 2017 bearing No. 71/BVR/2017 filed by the Company against the Order in Original no. "15/DEMAND/2016-17" dated January 25, 2017.

The Office of Commissioner of Central Excise and Service Tax has issued a Show Cause Notice dated January 18, 2016, to the Company under the provisions of CEACEA, 1944, for wrongly availing CENVAT Credit of Rs.26,43,260/- for the years of 2011-12 and 2012-13, on the goods, being the TMT Bars/Channels/Beam, S.S Platers/ S.S Pipes, which do not fall under the category of "Capital Goods" under Rule 2(a) and 2(K) of CENVAT Credit Rules, 2004 and which also cannot be termed as "Inputs" in respect of which CENVAT Credit can be availed. The Show Cause Notice further alleges that, since the Company has wrongly availed CENVAT Credit under Rule 14 of CENVAT Credit Rules, 2004, read with Section 11A of the CEA, 1944 and Section 11AA, is required to be recovered from the Company. The Show Cause Notice also alleges that the Company has suppressed and mis-declared the material facts and contravened the provisions of CENVAT Credit Rules, 2004, which make it liable for the penal action under Rule 15 of the Cenvat Credit Rules, 2004, read with section 11AC of the CEA, 1944. Under the aforesaid Show Cause Notice, Company was called upon to Show cause as to why: (a) CENVAT Credit amounting to Rs.26,43,260/- availed/utilized during the years of 2011-12 and 2012-13 should not be disallowed to it under Rule 14 of the CENVAT Credit Rules, 2004 read with Section 11A of CEA, 1944; (b) Interest at appropriate rate should not be recovered from it on the aforesaid CENVAT Credit under Rule 14 of the CENVAT Credit Rules, 2004 read with Section 11AA(section 11AB) of CEA, 1944; and (c) Penalty should not be imposed upon the Company under Rule 15(2) of the CENVAT Credit Rules, 2004 read with Section 11AC of CEA, 1944. The Company filed its reply dated March 4, 2016 to Show Cause Notice, inter alia, contending that, the majority of the Goods used by the Company are SS Tubes and Pipes which fall under "Capital Goods", under Rule 2(a) of CENVAT Credit RULES, 2014 and stated that it has rightly availed CENVAT Credit on TMT Bars/Channels/Beam, S.S Platers/ S.S Pipes. The Assistant Commissioner, Central Excise Division, Surendranagar ("the Assistant Commissioner") passed an Order in Original no. "15/DEMAND/2016-17", dated January 25, 2017 ("the Order in Original") inter-alia observing that the CENVAT Credit availed by the Company on the aforesaid goods is not admissible and are restricted as per Rule 2(K) of CENVAT Credit Rules, 2004 and the CENVAT Credit availed is liable to be recovered along with the interest in terms of Rule 14 of CCE, 2004, R/W Section 11A and 11AA of CEA, 1944. Under the aforesaid Assessment Order, the Assistant Commissioner confirmed the demand of payment of CENVAT Credit of Rs.26,43,260/- from the Company along with the interest at appropriate rate under Rule 14 of the CENVAT Credit Rules, 2004, read with Section 11AA of the CEA, 1944, and the penalty of Rs.26,43,260/- was imposed in the Company under Rule 15(2) of CENVAT Credit Rules, 2004, read with Section 11AC of CEA, 1944. The Company filed an appeal dated March 27, 2017 under Section 35(1) of the CEA, 1944 against the Order in Original before the Commissioner (Appeals) Central Excise, inter-alia praying that the aforesaid Order in Original be set aside. The matter is pending.

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹ Million ₹)
1.	Income Tax	2	0.83
	Total	2	0.83

(ii) **Indirect Tax Liabilities**

Sr. No	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded (in ₹ Million ₹)
1.	CENVAT	1	5.29
	Total	1	5.29

4. Other Pending Litigations

Civil Suit dated June, 2017 bearing No. 81/17 filed by the Company against Romano Corporation and Ramjibhai, authorized person of Romano Corporation (“Defendant”) before the Hon’ble Principal Senior Civil Court, Ahmedabad (Rural) (“the Court”)

The Defendant had purchased absorbent Kraft Paper from the Company in the year 2014. However, despite various reminders and requests made by the Company, Rs. 37,06,099/- remained to be paid by the Defendant towards the above mentioned purchase of absorbent Kraft Paper. Thereafter, the Company issued a legal notice dated January 31, 2017 inter-alia requesting the Defendant to pay the outstanding amount of Rs. 37,06,099/-. However, the Defendant did not make any payments towards the purchase of absorbent Kraft Paper. Subsequently, The Company filed this Civil Suit bearing No. 81/17 before the Court inter-alia praying that the Court directs the Defendant to pay Rs. 55,61,581/-(principal amount of Rs. 37,06,099+ 24% interest p.a) to the Company. This matter is currently pending.

LITIGATIONS INVOLVING OUR DIRECTORS

A. LITIGATIONS FILED AGAINST THE DIRECTORS

1. Litigation involving Criminal Matters

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities:

NIL

3. Litigation Involving Tax Liabilities:

(i) **Direct Tax Liabilities**

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	NIL	NIL	NIL
	Total	NIL	NIL

(ii) **Indirect Tax Liabilities**

Sr. No	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	NIL	NIL	NIL
	Total	NIL	NIL

4. Other Pending Litigations:

NIL

B. LITIGATIONS FILED BY OUR DIRECTORS

1. Litigation involving Criminal Matters

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities:

NIL

3. Litigation Involving Tax Liabilities:

(i) Direct Tax Liabilities

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	NIL	NIL	NIL
	Total	NIL	NIL

(ii) Indirect Tax Liabilities

Sr. No	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	NIL	NIL	NIL
	Total	NIL	NIL

4. Other Pending Litigations:

NIL

LITIGATIONS INVOLVING OUR PROMOTERS

Asian Tiles Limited was merged with AGIL in the year 2008. However, certain matters under the name of Asian Tiles Limited are still pending before various courts, and therefore have been recorded under this heading.

A. LITIGATIONS FILED AGAINST OUR PROMOTERS

1. Litigation involving Criminal Matters:

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities:

NIL

3. Litigation Involving Tax Liabilities

(i) Direct Tax Liabilities

Appellate Order dated March 30, 2010 of the Commissioner of Income-tax Appeals-III Ahmedabad passed in respect of the Assessment Year 2004-05 to 2008-09 of AGIL.

The Commissioner of Income-tax (Appeals)-III Ahmedabad passed the Appellate Order dated March 30, 2010 ("Appellate Order") in respect of the 5 (five) appeals filed by AGIL for Assessment Years 2004-05 to 2008-09. Under the assessments made in respect of the aforesaid assessment years, additions were made to the income of AGIL on account of (i) undisclosed assets/undisclosed investment in agricultural land, residential houses, etc. (ii) suppressed sales, (iii) undervaluation of the maximum retail price of its products, (iv) subscription in its initial public offer. The Director General of Central Excise Intelligence, Ahmedabad Unit has also conducted enquiries in respect of the same. AGIL filed its submissions refuting the same. The Office of the Commissioner of Income Tax (Appeals)-III, Ahmedabad passed an Order dated March 30, 2010 wherein it inter-alia: (a) Allowed and accepted the additions made under Assessment Order for the Assessment Year 2008-09 and deleted the additions amounting to Rs. 8,25,00,000/- (Rupees Eight Crore Twenty Five Lacs only) in respect of investment made in IPO of AGIL; (b) Deleted the additions amounting to Rs. 3,68,00,000/- (Rupees Three Crore Sixty Eight Lacs) made by the Assessment Officer for the Assessment Year 2008-09 in respect of the investments in bungalows; (c) Deleted the additions amounting to Rs. 1,30,00,000/- (Rupees One Crore Thirty Lacs only) made by the Assessment Officer for the unaccounted investment of AGIL in Furniture, Fixtures in show room/display centres; (d) Deleted the additions amounting to Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lacs only) made by the Assessment Officer for the Assessment Year 2005-06 and 2006-07; (e) Confirmed the additions amounting to Rs. 4,18,00,000/- (Rupees Four Crore Eighteen Lacs only) made by the Assessment

Officer for the undisclosed investment by AGIL in purchase of Berna Land and deleted additions on investment on other lands; and (f) Partly allowed the appeal made by AGIL. On being aggrieved by the aforesaid Order AGIL and the CIT(A) filed cross appeals before the Income Tax Appellate Tribunal, Bench C, Ahmedabad ("ITAT"). Vide an Order dated May 5, 2017, the ITAT partly allowed the cross appeals made by AGIL and the CIT (A). The Company is currently in the process of filing an appeal before the Hight Court against the aforesaid Order dated May 5, 2017.

Appeal No.543/Ahd/10 dated July 9, 2010 and Appeal No. 3620/Ahd of 2013 dated December 21, 2014 filed by Commissioner of Income Tax before the Appellate Tribunal for Assessment Year 2003-04 to Assessment Year 2008-09 in respect of Asian Tiles Limited which subsequently merger with AGIL

The Commissioner of Income Tax filed Appeal No.543/Ahd/10 dated July 9, 2010 and Appeal No. 3620/Ahd of 2013 dated December 21, 2014 before the Appellate Tribunal against the Order dated April 8, 2010 Commissioner of Income Tax (Appeals) for Assessment Year 2003-04 to Assessment Year 2008-09 in respect of Asian Tiles Limited which subsequently merger with AGIL. The Commissioner of Income Tax passed an Assessment Order dated December 12, 2009 ("Assessment Order") under Section 153A read with Section 143(3) of Income Tax Act, 1961 for the Assessment Year 2003-04 to 2007-08 and under Section 143(3) of the I.T Act, 1961 for the Assessment Year 2008-09 inter-alia: a) making additions on the suppressed sales for the Assessment Year 2004-05 to 2008-09; b) making additions on the undisclosed investments in Land amounting to Rs.2,73,00,000/- (Rupees Two Crore Seventy Three Lacs only). AGIL filed an Appeal No. CIT(A)-III/206 to 211/DCIT-CC-2(3)/09/10 dated January 29, 2010 challenging the Assessment Order before The Office of Commissioner of Income Tax(Appeals)-III. The Commissioner of Income Tax (Appeals) passed an Order dated April 8, 2010("CIT Order") inter-alia a) Deleting the additions made for investment in land for the Assessment Year 2003-04; b) Disallowing the deductions made on the Suppressed sales under Section 80IB of the I.T Act, 1961, thereby allowing the Appeal. The Commissioner of Income Tax filed an Appeal No.543/Ahd/2010 dated July 9, 2010 before the Appellate Tribunal under Section 250 for the Assessment Year 2007-08 of the I.T Act, 1961 challenging the CIT Order. Further, the Commissioner of Income Tax filed another Appeal No. 3620/Ahd of 2013 dated December 21, 2014 before the Appellate Tribunal for the Assessment Year 2006-07 under Section 250 of the I.T Act, 1961 challenging the CIT Order. The aforesaid appeals have been partly allowed by the Income Tax Appellate Tribunal, Bench C, Ahmedabad ("ITAT") vide an order dated May 5, 2017. The Company is currently in the process of filing an appeal before the Hight Court agasint the aforesaid Order dated May 5, 2017.

Appeal No 1147/2013 filed by Commissioner of Income Tax before the Hon'ble Income-tax Appellate Tribunal under Section 250 of the Income-tax Act, 1961 in respect of Assessment Year 2009-10 in respect of AGIL.

The Deputy Commissioner of Income tax filed an Appeal No.1147/2013 before the Hon'ble Income-tax Appellate Tribunal under Section 250 of the I.T. Act against the Order dated February 6, 2013 passed by the Office of the Commissioner of Income Tax (Appeals)-VI, Ahmedabad in respect of Assessment Year 2009-10. The Deputy Commissioner of Income-tax, Circle, Ahmedabad passed an Assessment Order dated December 30, 2011 under Section 143(3) of the I.T. Act, 1961 inter-alia: a) disallowing the expenses of the Company amounting to Rs.59,84,809/- (Rupees Fifty Nine Lacs Eighty Four Thousand Eight Hundred Nine Only) incurred towards increase in share capital of AGIL, b) disallowing the expenses of AGIL amounting to Rs.35,95,423/- (Rupees Thirty Five Lacs Ninety Five Thousand Four Hundred Twenty Three Only) under Section 14A read with Rule 8D of the I.T., 1961; c) disallowing the expenses of AGIL amounting to Rs.22,18,082/- (Rupees Twenty Two Lacs Eighteen Thousand and Eighty Two only) and d) made addition towards unutilized Cenvat Credit amounting Rs.1,78,30,939/- (Rupees One Crore Seventy Eight Lacs Thirty Thousand Nine Hundred Thirty Nine only). AGIL filed an Appeal No.CIT(A)-VIDC.Cir.1/264/2011-12 dated January 18,2012 ("the Appeal") before the Office of the Commissioner of Income Tax(Appeals)-VI, Ahmedabad. The Office of the Commissioner of Income Tax (Appeals)-VI, Ahmedabad passed an Order dated February 6, 2013 ("CIT Order") in respect of the Appeal filed by AGIL inter-alia allowing the Appeal. Accordingly, the Deputy Commissioner of Income tax filed an Appeal No.1147/2013 before the Hon'ble Income-tax Appellate Tribunal under Section 250 of the I.T. Act against the abovementioned CIT Order.

Appeal No. AA/A/15 of 2015 dated June 11, 2015 under Section 250 of the I.T Act, 1961 filed by Deputy Commissioner of Income Tax before the Appellate Tribunal in respect of in respect of the Assessment Year 2010-11 of AGIL.

The Deputy Commissioner of Income Tax, Ahmedabad has filed an Appeal No. AA/A/15 of 2015 dated June 11, 2015 under Section 250 of the I.T Act, 1961 before the Appellate Tribunal challenging the Order dated February 26, 2015 of the Office of the Commissioner of Income tax (Appeals), Ahmedabad. The Deputy

Commissioner of Income Tax, Ahmedabad had passed an Assessment Order dated March 18, 2013 ("Assessment Order") under Section 143(3) of the Income Tax Act, 1961 in respect of the Assessment Year 2010-11 inter-alia: a) disallowing expenses of AGIL amounting to Rs.65,57,172/- (Rupees Sixty Five Lacs Fifty Seven Thousand One Hundred Seventy Two only) under Section 35D of the I.T Act, 1961 and further stating that the expenses are of capital nature and hence the same cannot be allowed under Section 37 of the I.T Act, 1961; b) disallowing the expenses of AGIL amounting to Rs.12,130/- (Rupees Twelve Thousand One Hundred Thirty only) under Section 14A of the I.T Act, 1961 read with Rule 8D of the I.T Rules, 1962; c) disallowing expenses of AGIL on the Employee's contribution to provident fund amounting to Rs.41,38,742/- (Rupees Forty One Lacs Thirty Eight Thousand Seven Hundred Forty Two only) under Section 2(24)(x) read with Section 36(1)(va) of the I.T Act, 1961; and d) made addition amounting to Rs.90,72,239/- (Rupees Ninety Lacs Seventy Two Thousand Two Hundred Thirty Nine only) towards unutilized Cenvat credits. AGIL filed an Appeal No. CIT (A)-VI/DCIT, Cir-1/123/2013-14 dated April 22, 2013 ("Appeal") against the aforesaid Assessment Order under Section 143(3) of the I.T Act, 1961 inter-alia challenging the same. The Office of the Commissioner of Income tax (Appeals), Ahmedabad passed an Order dated February 26, 2015 ("CIT Appeal Order") inter-alia allowing the Appeal. AGIL filed certain grounds of above Appeal in respect of the Assessment Order dated May 5, 2015 under Section 250 of the I.T Act, before the Appellate Tribunal. The Deputy Commissioner of Income tax filed an Appeal No. AA/A/15 of 2015 dated June 11, 2015 ("DCIT Appeal") under Section 250 of the I.T Act, 1961 before the Appellate Tribunal against the CIT Appeal Order. The above DCIT Appeal is pending. In the meantime, the Deputy Commissioner of Income tax issued a Notice dated September 16, 2015 to AGIL under Section 250 of the Income Tax Act, 1961 for the Assessment year 2010-11 demanding a sum amounting to Rs.19,40,370/- (Rupees Ninety Lacs Forty Thousand Three Hundred Seventy only). Further, in the meantime, the Deputy Commissioner of Income tax, Circle-1(1) (1), Ahmedabad passed an Order dated September 16, 2015 inter-alia giving effect to CIT Appeal Order.

Appeal dated December 21, 2015 No. 3578/ahd/2015 of Ahmedabad filed by the Deputy Commissioner of Income tax before the Appellate Tribunal against the Order dated October 20, 2015 of the Office of the Commissioner of Income tax (Appeals), Ahmedabad in respect of the Assessment Year 2011-12.

The Deputy Commissioner of Income Tax, Ahmedabad passed an Assessment Order dated March 27, 2014 ("Assessment Order") under Section 143(3) of the I.T. Act, 1961 inter-alia: a) disallowing expenses of AGIL amounting to Rs.59,84,809/- (Rupees Fifty Nine Lacs Eighty Four Thousand Eight Hundred Nine only) under Section 35D of the I.T Act, 1961; b) disallowing the expenses of AGIL amounting to Rs.8,974/- (Rupees Eight Thousand Nine Hundred Seventy Four only) under Section 14A of the I.T Act, 1961 read with Rule 8D of the I.T. Rules, 1962; c) disallowing expenses of AGIL amounting to Rs.31,974/- (Rupees Thirty Thousand Nine Hundred and Seventy Four only) under Section 2(24)(x) read with Section 36(1)(va) of the I.T Act, 1961; and d) making addition in respect of the alleged difference commission account of Poonam Ceramics amounting to Rs.6,567/- (Rupees Six Thousand Five Hundred Sixty Seven only). The Commissioner of Income Tax, Ahmedabad issued a Notice dated March 27, 2014 to AGIL under Section 156 of the I.T. Act, 1961 inter-alia requesting AGIL to pay the sum of Rs.27,65,880/- (Rupees Twenty Seven Lacs Sixty Five Thousand Eight Hundred and Eighty only). AGIL filed an Appeal No.CIT(A)-3/Wd.1(1)(2)/297/14-15 dated April 28, 2014 before the Commissioner of Income Tax(Appeals) challenging the Assessment Order. The Office of the Commissioner of Income tax (Appeals), Ahmedabad passed an Order dated October 20, 2015 inter-alia allowing the appeal. The Deputy Commissioner of Income tax filed an Appeal dated December 21, 2015 No. 3578/ahd/2015 of Ahmedabad before the Appellate Tribunal against the Order dated October 20, 2015. AGIL filed its grounds for cross-objection February 15, 2016 in respect of above Appeal No. 3578/ahd/2015. In the meantime, the Deputy Commissioner of Income tax passed an Order dated August 29, 2016 giving effect to the Commissioner of Income Tax (Appeals) order. Further, in the meantime, the Deputy Commissioner of Income tax also issued a Notice dated August 29, 2016 under Section 250 of the I.T Act, 1961 for the Assessment year 2011-12 to AGIL inter-alia demanding a sum amounting to Rs.54,57,990/- (Rupees Fifty Four Lacs Fifty Seven Thousand Nine Hundred and Ninety only).

Appeal No. 1517/Ahd/16 filed by Deputy Commissioner of I.T Circle 1(1)(1), Ahmedabad against AGIL in respect of Assessment Year 2012-13 of AGIL.

The DCIT has filed an appeal dated June 3, 2016 bearing I.T Appeal No. 157/Ahd/16 against AGIL before the Income Tax Appellate Tribunal challenging the Order dated March 30, 2016 passed by the Commissioner of Income-tax Appeals in respect of the Assessment Year 2012-13 of AGIL. The Commissioner of Income Tax, Ahmedabad passed an Appellate Order dated March 30, 2016 bearing Appeal No. CIT(A)-1/136/DCIT, Circle-1(1)(2)/2014-2015 inter-alia: a) making disallowance of Rs.6,15,723/- (Rupees Six Lakhs Fifteen Thousand Seven Hundred and Twenty Three only) under Section 14A of the I.T Act read with Rule 8D of the Income Tax Rules should be deleted; b) making reduction of positive adjustment of Rs.6,15,723/- (Rupees Six Lakhs Fifteen Thousand Seven Hundred and Twenty Three only) made under Section 14A of the I.T Act while determining

Book Profit under Section 115JB of the I.T Act; c) making deletion of the addition of Rs.10,34,437/- (Rupees Ten Lakhs Thirty Four Thousand Four Hundred and Thirty Seven only) under Section 2(24)(x) of the I.T Act if found that the impugned amount is deposited within the due date of the respective month and if found that the amount is deposited beyond the grace of time as specified in the PE/ESIC Act, then the addition be sustained; d) making addition of an amount of Rs.14,06,42,330/- (Rupees Fourteen Crores Six Lakhs Forty Two Thousand Three Hundred and Thirty only) that was undisclosed income of assessee by suppressing the production of tiles and the same to be added to the total income; e) directing that addition of an amount of Rs.71,81,20,718/- (Rupees Seventy One Crores Eight One Lakhs Twenty Thousand Seven Hundred and Eighteen only) towards suppression of sales should be deleted; f) stating that addition of an amount of Rs. 14,06,42,330/- (Rupees Fourteen Crores Six Lakhs Forty Two Thousand Three Hundred and Thirty only) towards suppression of sales is not sustainable. The Deputy Commissioner of Income-tax, Ahmedabad passed an Order dated July 1, 2016: giving effect to CIT (A)'s Order inter-alia stating that the revised total income of AGIL was Rs.26,94,53,972/- in respect of AY 2012-13 which was arrived after verification of record as per the directions of the CIT under the Order dated July 1, 2016. Thereafter, the Deputy Commissioner of Income Tax issued a notice of demand under Section 156 of the I.T. Act, and an Order giving effect under Section 250 of the I.T Act dated July 1, 2016 to AGIL in respect of Assessment Year 2012-2013 stating that a sum of Rs. 42,760/- (Rupees Forty Two Thousand Seven Hundred and Sixty only) has been deemed payable to AGIL. AGIL has vide application dated July 9, 2016 contended that while giving the appeal effect under Section 250 of the I.T Act vide Order dated July 1, 2016, the credit of prepaid taxes of Rs.55,00,000/- (Rupees Fifty Five Lakhs only) was not provided for and accordingly vide Order dated July 14, 2016 of the Deputy Commissioner of Income-tax, the total income of AGIL was reassessed. Thereafter, the Deputy Commissioner of Income Tax issued a notice of demand under Section 156 of the I.T Act, and an Order under Section 154 of the Act dated July 14, 2016 to AGIL for the Assessment Year 2012-2013 inter-alia stating that a sum of Rs.54,57,240/- (Rupees Fifty Four Lakhs Fifty Seven Thousand Two Hundred and Forty only) was been determined to be refundable to AGIL. The Deputy Commissioner of Income Tax filed an appeal dated June 3, 2016 against AGIL before the Income Tax Appellate Tribunal, Ahmedabad for the Assessment Year 2012-2013 challenging the Order of CIT(A) and inter-alia praying for deletion of the addition of Rs.6,15,723/- (Rupees Six Lakhs Fifteen Thousand Seven Hundred and Twenty Three only) and the addition of Rs.14,06,42,330/- (Rupees Fourteen Crores Six Lakhs Forty Two Thousand Three Hundred and Thirty only).

Appeal dated September 23, 2016 bearing No. 245/AHD/16 of 2016 by Deputy Commissioner Income Tax, Circle-1(1)(1), Ahmedabad in respect of Assessment Year 2013-14.

The Deputy Commissioner of Income-Tax, Ahmedabad passed an Assessment Order dated March 23, 2016 under Section 143(3) of the I.T Act inter-alia: a) made an addition of Rs.50,00,000/- (Rupees Fifty Lakhs only) on account of alleged suspension of production/sale of tiles, b) disallowed the expenses of the Company amounting to Rs. 43,76,530/- (Rupees Forty Three lakhs Seventy Six Thousand Five Hundred and Thirty) under Section 14A read with Rule 8D of the I.T Act; c) disallowed depreciation in respect of discarded assets amounting to Rs. 83,564/- (Rupees Eighty Three Thousand Five Hundred and Sixty Four), d) disallowed depreciation on car been personally used by the director amounting to Rs. 3,85,979/- (Rupees Three Lakhs Eighty Five Thousand Nine Hundred and Seventy Nine), e) Addition of Rs. 10,930/- (Rupees Ten Thousand Nine Hundred and Thirty) on account of mismatch of tax credit in Income Tax return with form no. 26AS, f) Disallowance interest of Rs. 37,560/- (Rupees Thirty Thousand Five Hundred and Sixty under Section 36(1)(iii) of the I.T Act, g) levied interest under Section 234A, 234B, 234C and 234D of the Act, h) initiated penalty proceedings under Section 271(1)(c) of the Act. The Deputy Commissioner of Income-Tax, Ahmedabad issued a Notice of Demand under Section 143(3) of The Income Tax Act dated March 23, 2016 to AGIL for the Assessment Year 2013-14 for a sum of Rs. 31, 18,840/- (Rupees Thirty One lakhs Eighteen Thousand Eight Hundred and Forty). AGIL filed an Appeal dated March 31, 2016 against the Assessment Order dated March 23, 2016 for the Assessment Year 2013-2014. The Commissioner of Income Tax passed an Order dated July 22, 2016 ("CIT(A) Order") in Appeal No. CIT(A)-1/359/DCIT, Circle-1(1)(1)/2015-2016 directing : (a) deletion of the addition of Rs. 50,00,000/- (Rupees Fifty Lakhs) made by the Assessing Officer b) disallowance made by Assessing Officer under Section 14A of the I.T Act read with Rule 8D of the Income Tax Rules be deleted, c) deleted the disallowance of depreciation of Rs.3,85,979/- (Rupees Three Lakhs Eighty Five Thousand Nine Hundred and Seventy Nine) on the car in the personal use of the director, d) rejected the ground of appeal related to addition of Rs. 10,930/- (Rupees Ten Thousand Nine Hundred and Thirty) on account of mismatch of tax credit in income tax return while rejecting the other grounds of appeal of AGIL. The Deputy Commissioner of Income Tax, Ahmedabad passed an Order dated August 29, 2016 giving effect to CIT(A) Order where the revised total income was fixed as Rs.26,85,80,731/- (Rupees Twenty Six Crores Eighty Five lakhs Eighty Thousand Seven Hundred and Thirty One) and a notice of demand dated August 29, 2016 was issued under Section 250 of the I.T Act by the Deputy Commissioner of Income Tax to AGIL demanding payment of a sum of Rs. 51,390/- (Rupees Fifty One Thousand Three Hundred and Ninety) for Assessment Year 2013-2014.

Further, an appeal dated September 23, 2016 was filed by Deputy Commissioner of Income Tax against the CIT(A)'s order before the Income tax Appellate Tribunal inter-alia challenging a) deletion of the addition of Rs. 50,00,000(Rupees Fifty Lakhs) on account of alleged suspension of production/sale of tiles b) disallowance of an amount of Rs. 43,76,530/- (Rupees Forty Three lakhs Seventy Six Thousand Five Hundred and Thirty) under Section 14A read with Rule 8D of the Income-tax Act, 1961), c) disallowance of depreciation on car been personally used by the director amounting to Rs. 3,85,979/-(Rupees Three Lakhs Eighty Five Thousand Nine Hundred and Seventy Nine). The matter is pending.

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹ Million)
1.	Income Tax	7	297.95
	Total	7	297.95

(ii) Indirect Tax Liabilities

Appeal dated December 9, 2014 filed by Asian Tiles Limited (“ATL”) challenging CCE Order before Hon’ble CESTAT

The Additional Director General, DGCEI, Ahmedabad Zonal Unit, Ahmedabad issued a Show Cause Notice No. F. No. DGCEI/AZU/36-125/2009 dated January 6, 2010(“Show Cause Notice”) to ATL for the Assessment Years 2003-04 to 2008-09 inter-alia for recovery of Central Excise Duty from ATL. Under the aforesaid Show Cause Notice, ATL was called upon to show cause to the Commissioner, Central Excise and Customs, Ahmedabad-III, as to why: (a) Central Excise duty amounting to Rs.4,83,88,588/- (Rupees Four Crore Eighty Three Lacs Eighty Eight Thousand Five Hundred and Eighty Eight only), short paid by ATL by way of undervaluation, should not be demanded and recovered from it under Section 11-A of the CEA, 1944; (b) penalty should not be imposed upon ATL under Section 11-AC of the CEA, 1944 and Rule 25 of Central Excise Rules, 2002; (c) sum of Rs.50,00,000/- (Rupees Fifty Lacs only) paid by ATL during investigations should not be appropriated against the aforesaid demand; (d) interest under Section 11-AB of the CEA, 1944 should not be charged and recovered from ATL. ATL filed its two submissions vide letter dated October 10, 2010 in response to the Show Cause Notice. ATL filed an additional submission dated February 5, 2014 to the Show Cause Notice in the personal hearing dated February 5, 2014. The Office of the Commissioner of Central Excise, Ahmedabad-III Customs House, Navrangpura Ahmedabad passed an Order-In-Original No. AHM-EXCUS-003-COM-013-14-15 dated September 25, 2014(“CCE Order”) inter-alia: (a) confirmed and ordered recovery of the Central Excise duty amounting to Rs.4,83,88,588/- (Rupees Four Crore Eighty Three Lacs Eighty Eight Thousand Five Hundred and Eighty Eight only), under Section 11-A of the CEA, 1944; (b) confirmed and ordered recovery of interest under Section 11-AB/AA of the CEA, 1944; (c) ordered to appropriate sum of Rs.50,00,000/- (Rupees Fifty Lacs only) paid by ATL against the aforesaid amount of duty liability; (d) imposed penalty of Rs.4,83,88,588/- (Rupees Four Crore Eighty Three Lacs Eighty Eight Thousand Five Hundred and Eighty Eight only) under Section 11-AC of the CEA, 1944 and Rule 25 of Central Excise Rules, 2002; (e) imposed penalty amounting to Rs.1,20,97,000/- (Rupees One Crore Twenty Lacs Ninety Seven Thousand only) upon Kamleshbhai Baghubhai Patel, a Managing Director of ATL and Hasmmukhbhai Danjibhai Patel, a Director of ATL under Rule 26 of CER, 2002. ATL has filed an Appeal dated December 9, 2014 challenging CCE Order before Hon’ble CESTAT. The Excise Authority has issued a letter dated November 26, 2015 to ATL for recovery. The matter is pending before CESTAT.

Order No.MUM-CUSTM-000-COM-029-16-17 dated March 31, 2017 passed by Commissioner of the Principal Commissioner of Customs House, Mundra

AGIL has classified its products under the category CTH 25309030, in respect of Customs duty payment. However, the authorities proposed re-determining of the same under the category CTH 28365000 under the provisions of Section 17 of the Customs Act, 1962 and raised a demand for differential Customs duty amounting to Rs.1,67,96,775/- (Rupees One Crore Sixty Seven Lacs Ninety Six Thousand Seven Hundred Seventy Five only).

The Commissioner of the Principal Commissioner of Customs House, Mundra by and under its Order No. MUM-CUSTM-000-COM-029-16-17 dated March 31, 2017 inter-alia: a) rejected classification of goods covered under 56 Bills of Entry classified under CTH 25309030 and ordered to re-assess the same under CTH 28365000 of Customs Act, 1975 under Section 17 of the Customs Act, 1962; b) ordered recovery of the differential Customs Duty of Rs.1,67,96,775/- (Rupees One Crore Sixty Seven Lacs Ninety Six Thousand Seven Hundred Seventy Five only) from AGIL under Section 28AA of the Customs Act, 1962; c) ordering to confiscation of goods amounting to Rs.42,69,693/- (Rupees Forty Two Lacs Sixty Nine Thousand Six Hundred Ninety Three only) and Rs.77,76,091/- (Rupees Seventy Seven Lacs Seventy Six Thousand Ninety One only)

under Section 111(m) of the Customs Act, 1962 and imposed redemption fine amounting to Rs.8,00,000/- (Rupees Eight Lacs only) and Rs.15,00,000/- (Rupees Fifteen Lacs only) under Section 125 of the Customs Act, 1962 in respect of two bills of entry; d) ordered confiscation of goods covered under certain other Bills of Entry under Section 111(m) of the Customs Act, 1962; e) ordered confiscation of goods covered under Bill of Entry No. 2383096 amounting to Rs.5,70,188/- (Rupees Five Lacs Seventy Thousand One Hundred Eight only) and imposed redemption fine amounting to Rs.1,00,000/- (Rupees One Lac only) under Section 125 of the Customs Act, 1962; f) imposed penalty of Rs.50,00,000/- (Rupees Fifty Lacs only) under Section 112(a) of the Customs Act, 1962; g) imposing penalty of Rs.1,67,96,77/- (Rupees One Crore Sixty Seven Lacs Ninety Six Thousand Seven Hundred Seventy Five only) and amount equivalent to interest payable under Section 114A of the Customs Act, 1962. AGIL is in the process of filing an appeal in respect of the above Order No.MUM-CUSTOM-000-COM-029-16-17 dated March 31, 2017.

Notice dated March 11, 2016 imposing penalty under Gujarat Value Added Tax Act, 2003 issued by The Office of Joint Commissioner of Commercial Tax, Gandhinagar to AGIL

Deputy Commercial Commissioner has addressed a Notice under Section 34(8A) of the Gujarat Value Added Tax Act, 2003 dated March 11, 2016 and a Notice under Section 67, 70 or 70A of the Gujarat Value Added Tax Act, 2003 to AGIL to furnish certain information/documents sales for the Assessment Year 2009-2010. Deputy Commercial Commissioner also has addressed a Notice dated March 11, 2016 issued under Rule 46 of Gujarat Value Added Tax Rules, 2006 for imposing a penalty under the Gujarat Value Added Tax Act, 2003 for the year 2009-2010 inter-alia calling upon AGIL to show cause as to why penalty under Section 34(7) of GVAT should not be imposed on it in respect of violation of certain provisions of the Gujarat Value Added Tax Act, 2003. AGIL is in the process of replying to the aforesaid Notice.

Notice dated March 11, 2016 issued by The Office of Joint Commissioner of Commercial Tax, Gandhinagar to AGIL

Deputy Commercial Commissioner has addressed a Notice dated March 11, 2016 under Section 34(8A) of the Gujarat Value Added Tax Act, 2003 and a Notice under Section 67, 70 or 70A of the Gujarat Value Added Tax Act, 2003 to AGIL to furnish certain information/ documents sales for the Assessment Year 2010-2011 Deputy Commercial Commissioner also has addressed a Notice under Rule 46 of the Gujarat Value Added Tax Rules for imposing a penalty under the Gujarat Value Added Tax Act, 2003 for the year 2010-2011 dated March 11, 2016 inter-alia calling upon AGIL to show cause as to why penalty under Section 34(7) of GVAT should not be imposed on it in respect of violation of certain provisions of the Gujarat Value Added Tax Act, 2003. AGIL is in the process of replying to the aforesaid Notice.

Sr. No	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded (in ₹ Million)
1.	CESTAT/ Excise	1	252.70
2.	Customs	1	40.99 *
3.	Value Added Tax	2	Unascertainable
	Total	2	293.70

**The amounts mentioned above may be subject to additional interest rates/ penalties being levied by the concerned authorities for delay in making payment or otherwise. Amount of interest/penalty that may be levied is unascertainable as on the date of this Red Herring Prospectus.*

B. LITIGATIONS FILED BY OUR PROMOTERS

1. Litigation involving Criminal Matters:

AGIL has filed 156 Criminal complaints under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonor of cheques issued in their favour. Currently, 156 such criminal complaints are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is Rs.11,04,79,384.20/-.

2. Litigation involving Actions by Statutory/Regulatory Authorities:

NIL

3. Litigation Involving Tax Liabilities

(i) Direct Tax Liabilities

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	NIL	NIL	NIL
	Total	NIL	NIL

Appeal dated February 02, 2007 filed by AGIL against the Assessment Order dated December 30, 2006 before the Joint Sales Tax Commissioner, Ahmedabad.

The Deputy Sales Tax Commissioner issued an Assessment Order dated December 30, 2006 inter-alia determining that sales tax of Rs.45,07,857/- (Rupees Forty-Five Lakhs Seven Thousand Eight Hundred and Fifty-Seven only) was payable by AGIL. The Deputy Sales Tax Commissioner has addressed a Demand Notice under Section 47 of the Gujarat Sales Tax Act, 1969 dated January 3, 2007 demanding Rs.45,07,857/- (Rupees Forty-Five Lakhs Seven Thousand Eight Hundred and Fifty Seven only) from AGIL as per the Assessment Order dated December 30, 2006 for the year 2003-2004. An appeal dated February 2, 2007 was filed against the Assessment Order dated December 30, 2006 stating that Rs.1,99,308/- have been assessed u/s. 45 (2) (C), penalty of Rs.16,77,096/- have been assessed u/s. 45 (6) and interest of Rs.10,14,164/- have been assessed u/s. 47 (B) and requested to remove the same. The matter is currently pending.

Appeal dated February 2, 2007 filed by AGIL against the Assessment Order dated December 30, 2006 before the Joint Sales Tax Commissioner, Ahmedabad.

The Deputy Sales Tax Commissioner issued an Assessment Order dated December 30, 2006 inter-alia determining that sales tax of Rs.19,62,743/- (Rupees Nineteen Lakhs SixtyTwo Thousand Seven Hundred and Forty - Three Only) was payable by AGIL. The Deputy Sales Tax Commissioner has addressed a demand notice under Section 47 of the Gujarat Sales Tax Act, 1969 dated January 9, 2007 demanding Rs.19,62,743/- (Rupees Nineteen Lakhs SixtyTwo Thousand Seven Hundred and Forty-Three) from AGIL as per the Assessment Order dated December 30, 2006 for the year 2004-2005. An appeal dated February 2, 2007 was filed against the Assessment Order dated December 30, 2006. The matter is currently pending.

(ii) Indirect Tax Liabilities

Sr. No	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded (in ₹ Million)
1.	Sales Tax	2	6.47
	Total	2	6.47

4. Other Pending Litigations

AGIL has filed Civil Suits for the recovery of certain amounts arising in due course of business. Currently, 17 such Civil Suits are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is Rs.1,0150980.91/-.

LITIGATIONS INVOLVING OUR GROUP COMPANIES

A. LITIGATIONS FILED AGAINST OUR GROUP COMPANIES

1. Litigation involving Criminal Matters:

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities:

NIL

3. Litigation Involving Tax Liabilities:

(i) Direct Tax Liabilities

NIL

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	NIL	NIL	NIL
	Total	NIL	NIL

(ii) Indirect Tax Liabilities

Sr. No	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded (in ₹)
1.	NIL	NIL	NIL
	Total	NIL	NIL

4. Other Pending Litigations

NIL

B. LITIGATIONS FILED BY OUR GROUP COMPANIES

1. Litigation involving Criminal Liabilities:

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities:

NIL

3. Litigation Involving Tax Liabilities

(i) Direct Tax Liabilities

Appeal dated June 11, 2015 filed by Specific Ceramics Limited against the Assessment Order passed by the Deputy Commissioner of Income Tax, Ahmedabad before the Hon'ble Commissioner of Income Tax (Appeals)-VIII, Ahmedabad.

An Assessment Order dated March 11, 2014 was passed by the Deputy Commissioner of Income Tax, Ahmedabad. Pursuant to the Assessment Order, a Notice of Demand dated March 11, 2014 was issued for Assessment Year 2011-2012 for an amount of Rs. 54,790/- (Rupees Fifty Four Thousand Seven Hundred and Ninety). Subsequently, Specific Ceramics Limited filed an appeal dated June 11, 2015 before the Hon'ble Commissioner of Income Tax (Appeals)-VIII, Ahmedabad inter-alia refuting the provisions of the Assessment Order dated March 11, 2014. This matter is currently pending.

Appeal dated April 25, 2016 filed by Specific Ceramics Limited against the Assessment Order passed by the Deputy Commissioner of Income Tax, Ahmedabad before the Hon'ble Commissioner of Income Tax (Appeals), Ahmedabad.

Specific Ceramics Ltd. filed an appeal against Order dated January 29, 2016 of the Deputy Commissioner of Income-tax, Circle 4(1)(1), Ahmedabad for Assessment Year 2009-2010 on April 25, 2016. The Deputy Commissioner of Income Tax vide an Order dated January 29, 2016 directed that (a) an amount of Rs.1,96,251/- (Rupees One Lakh Ninety-Six Thousand Two Hundred and Fifty-One) be disallowed under Section 36(1)(iii) of the I.T Act; (b) an amount of Rs. 2,66,615/- (Rupees Two Lakhs Sixty-Six Thousand Six Hundred and Fifteen) be disallowed from prior period expenses; (c) an amount of Rs. 63,47,693/- (Rupees Sixty-Three Lakhs Forty-Seven Thousand Six Hundred and Ninety-Three) be disallowed under Section 43B of the I.T Act. Pursuant to the Assessment Order, a Notice of Demand dated January 29, 2016 was issued to Specific Ceramics asking them to pay a sum of Rs. NIL/-. An appeal dated April 5, 2016 was filed before the Commissioner of Income Tax (Appeals) by Specific Ceramics Ltd. against the Assessment Order. Please provide us with copies of show cause notice, reply, order-in-original and other orders made/pleadings filed in the matter including the Order dated January 29, 2016 referred above. The ground of Appeal was disallowance of Central Excise Duty of Rs. 43, 42,057/- (Rupees Forty-Three Lakhs Forty-Two Thousand and Fifty-Seven) and VAT/CST of Rs. 33, 19,348 (Rupees Thirty-Three Lakhs Nineteen Thousand Three Hundred and Forty-Eight) under Section 43B though the payments were made before the filing of return.

Sr. No	Type of Direct Tax	No. of Cases	Amount in dispute/demanded (in ₹ Million)
1.	Income Tax	2	0.06
	Total	2	0.06

(ii) Indirect Tax Liabilities

Sr. No	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded (in ₹)
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1.	NIL	NIL	NIL
	Total	NIL	NIL

4. Other Pending Litigations

NIL

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

Except as disclosed in this chapter, there are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies act enactment in the last 5 (five) years against our Company.

Except as disclosed in this chapter, there are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

Material Fraud against our Company in the last 5 (five) years

There has been no material fraud committed against our Company in the last 5 (five) years.

Fines imposed or compounding of offences for default

The parties viz. (i) the Company; ii) Kirit G. Patel (Director); (iii) Ramakant Patel (Director) and (iv) Rashiklal Patel (erstwhile Director); filed a company application before the Regional Director, Western Region, Ahmedabad under Section 297(1) read with Section 621A of The Companies Act, 1956 inter-alia for compounding of offences committed under Section 297 of the Companies Act, 1956 in accordance with Section 621A of the Companies Act, 1956. The Company failed to seek prior approval of the Central Government under Section 297(1) of the Companies Act, 1956 for entering into a contract with Mitul Enterprises, Devkinandan Paper Mills Private Limited, Messrs Krupal Trading Company, and Shreeangam Packaging Private Limited in respect of the transactions of purchase and sales entered into by the Company and the aforementioned parties for the year 2012-13. Therefore, the Company and the Directors of the Company filed the aforesaid petition inter-alia praying that the offence under Section 279(1) of the Companies Act, 1956 to be compounded by imposing appropriate fees. Thereafter, the Regional Director, North-Western Region, Ministry of Corporate Affairs, Ahmedabad had passed an Order dated April 10, 2014 inter-alia compounding the offence and imposing fees on the Company and its Directors amounting Rs. 8,000/- (Rupees Eight Thousand only) each. The Company and the Directors have paid the penalty fee inter-alia amounting Rs.48,000/-(Rupees Forty Eight Thousand only) in the following manner:

- i. the Company – Rs. 8000/-
- ii. Kirit G. Patel- Rs. 8000/-
- iii. Karshanbhai Patel- Rs. 8000/-
- iv. Ramakant Patel- Rs. 8000/-
- v. Rashiklal Patel- Rs. 8000/- (erstwhile Director)
- vi. Jayantibhai Patel- Rs. 8000/- (erstwhile Director)

Except as stated above, there are no other fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company for default or outstanding defaults.

Non-Payment of Statutory Dues

Except as disclosed under the chapter titled “Financial Information, as Restated”, there have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as of the date of the last audited financial statements of the Company. For details of dues of income tax, sales tax, customs duty, excise duty, value added tax and cess, which have not been deposited as on March 31, 2017 on account of disputes, see

“Financial Statements, as Restated” beginning on page 194 and “Outstanding Litigation and Material Developments – Litigations involving our Company – Litigation filed against our Company – Tax proceedings” and Outstanding Litigation and Material Developments – Litigations involving our Company – Litigation filed by our Company –Tax proceedings” on pages 218 and 219, respectively.

Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006

As of September 30, 2017, there were no cases of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006.

Material Creditors of the Company having amount outstanding as on September 30, 2017 more than ₹ 12.60 million, being 5% of the Company’s trade payables as per last audited financial statements of our Company.

There are no trade payables more than 5% of the Company’s trade payables as per the last audited financial statements as on September 30, 2017, other than Yajur Commodities Limited; Pearlship Trans Private limited; and M/s. Krupal Trading company, FC Agrawal Coal Private Limited with an amount outstanding of ₹ 59.18 million; ₹37.84; ₹21.37 million; and ₹30.41 million respectively, and which is 23.48%; 15.01%; 8.48% and 12.06%, respectively, of our trade payables as on September 30, 2017.

For further details, please see website at <http://www.astronpaper.com>.

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, would be doing so at its own risk.

Material developments occurring after last balance sheet date

There have been no material developments since the date of the last financial statements as disclosed in the Red Herring Prospectus.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory bodies/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/proposed business activities and no further major approvals from any government/regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental to the main objects enable our Company to carry out its activities.

Approvals for the Issue

1. The Board of Directors have by a resolution passed at its meeting held on May 1, 2017, authorized the Issue, subject to the approval of the shareholders under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary.
2. The shareholders of the Company vide their resolution under Section 62(1)(c) of the Companies Act, 2013, passed in the annual general meeting held on May 23, 2017, have authorized the Issue.
3. In-principle approval dated August 14, 2017 from the BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. In-principle approval dated July 28, 2017 from the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
5. Our Company's International Securities Identification Number ("ISIN") is INE646X01014.

Approvals related to Incorporation

1. Certificate of Incorporation dated December 29, 2010 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli in the name of "Astron Paper & Board Mill Limited".
2. Certificate of Commencement of Business dated February 3, 2011 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
3. The Corporate Identity Number of the Company is U21090GJ2010PLC063428.

General Approvals

1. Memorandum of Understanding dated January 12/13, 2011 made at the Mahatma Mandir in Gandhinagar (Gujarat) during Vibrant Gujarat Summit 2011 between the Company and the Government of Gujarat whereunder the Government of Gujarat has agreed to facilitate the Company to obtain necessary approvals/permissions from the concerned departments for its 'Paper Board' project at Sukhapur, Harvad, Surendranagar which project would commence in the year 2011.
2. Acknowledgement dated January 14, 2011 of the filing of Industrial Entrepreneur Memorandum has been issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry in favour of the Company in respect of (i) manufacture of packaging paper (machine made) with proposed capacity of 34125.00 MT and (ii) manufacture of paper board and straw board (machine made) with proposed capacity of 14625.00 MT.
3. The Central Board of Excise and Customs has issued a Certificate dated March 8, 2017 bearing No. INAAJCA0517E1F172 under which the Company has been recognised as an Authorized Economic Operator-T1 Certificate (Importer & Exporter). The aforesaid certificate is valid until March 7, 2019. Further, permission was granted on April 10, 2017 by the Office of the Principal Commissioner of Customs, Mundra Commissionerate for direct Port Delivery from Mundra Port and the same is valid till March 7, 2019.
4. The Office of Joint Director of Foreign Trade, Ministry of Commerce and Industry has granted a Certificate of Importer-Exporter Code (IEC) dated June 8, 2011 to the Company and has allotted the Importer-Exporter Code No.0811005798 to the Company.

5. The Chief Electrical inspector, Office of Chief Electrical Inspector, Gandhinagar, has granted permission to energize the 1 x 3750 KVA 415 V Coal based Power Plant and 1 x 1010 KVA 415 V DG set at its factory located at Plot No.52/1, 53/1-2, Village Sukhpur, Taluka Halvad, and District Morbi on February 27, 2013.

Industry Specific Approvals

1. The Directorate Industrial Safety & Health Gujarat State has granted Licence to work a factory dated March 9, 2015 and bearing No. 17932 in favour of the Company in respect of its factory located at S.No.52/1-2, 53/1-2, Chandragadh Road, Sukhpar, Halvad, and District Surendranagar. The aforesaid license is valid until December 31, 2017. Provisional Order under Section 9 of the Boilers Act, 1923 in respect of Boiler Registry No.GT-7296 issued on July 1, 2015 and, as per the second provisional order dated February 28, 2017, is valid till August, 2017.
2. The Company has installed a Boiler with Maker's No. HIL -295 for which Inspecting Authority, Director of Boiler, Gujrat State has issued a Certificate of Inspection for Site Assembled Boilers vide Certificate No. 5196 dated March 23, 2017. The Company is currently awaiting Certificate of Use of Boiler for the same.
3. The Chemical and Allied Export Promotion Council of India has granted a Registration-cum-Membership Certificate dated March 4, 2014 bearing No. CAPEXIL/W/006321. The aforesaid certificate is valid until March 31, 2018.
4. SGS United Kingdom Limited has granted Certificate No.IN14/04851 dated September 6, 2017 which is valid until August 4, 2020 and assessed and certified the Company as meeting the requirements of ISO 9001:2015 in respect of manufacture and dispatch of Kraft Paper.
5. SGS United Kingdom Limited has granted Certificate No.IN14/04852 dated September 6, 2017 which is valid until August 4, 2020 and assessed and certified the Company as meeting the requirements of ISO 14001:2015 in respect of manufacture and dispatch of Kraft Paper.
6. SGS South Africa (Pty) Limited has granted Certificate No.SGS-COC-010227 which is valid from May 28, 2014 until May 27, 2019 and has assessed and certified the Company in respect of the FSC-STD-40-004 V2-1 Standard for COC Certification – October 2011 and FSC-STD-40-007 V2-0 Sourcing reclaimed materials – April 2011 in respect of purchase of pre and post-consumer recycled carton boxes and manufacture of 100% FSC Recycled Kraft paper in rolls containing at 85% post-consumer material under percentage system.
7. Paschim Gujarat VIJ Company Limited and the Company have entered into an agreement for availing Load Extension for Connection of 1900 + 1000 = 2900 KVA HT on August 2, 2016. The said agreement is valid for a period of 2 (two) years from the date of commencement of the supply of electricity i.e. November 18, 2016.

Tax related Approvals

Sr. No.	Name of Registration/ License	Issuing Authority	Registration/ Licence no.	Date of Issue	Date of Expiry
1.	Permanent Account Number	Income Tax Department	AAJCA0517E	-	Valid until cancelled
2.	Certificate of Registration under the Service Tax Code (Form St – 2)	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	Service Tax Registration No.: AAJCA0517ESD002	April 26, 2011	Valid until cancelled
3.	Certificate of Enrolment under The Gujarat State Tax on Professions, Trades, Callings & Employments Rules 1976 issued by Taluka Panchayat Kacheri, Halvad for factory premises.	Professional Tax Officer	Enrolment Certificate No. 08030570001	August 1, 2012	Valid until cancelled

Sr. No.	Name of Registration/ License	Issuing Authority	Registration/ Licence no.	Date of Issue	Date of Expiry
4.	Certificate of Registration under The Gujarat State Tax on Professions, Trades, Callings & Employments Rules 1976 issued by the Gram Panchayat Office, Sukhpar for factory premises.	Professional Tax Officer	Registration Certificate No.08030570002	May 11, 2017	Valid until cancelled
5.	Certificate of Enrolment under The Gujarat State Tax on Professions, Trades, Callings & Employments Rules 1976 issued for registered office premises.	Amdavad Municipal Corporation	Enrolment Certificate No.PEC01662002973	June 2, 2017	Valid until cancelled
6.	Certificate of Registration under The Gujarat State Tax on Professions, Trades, Callings & Employments Rules 1976 issued for registered office premises.	Amdavad Municipal Corporation	Registration Certificate No. PRC01662000298	June 2, 2017	Valid until cancelled
7.	Registration Certificate under Shops and Establishment Act 1948	Amdavad Municipal Corporation	Registration Certificate No. PH/SOLG/2900004/0170833	June 2, 2017	December 31, 2017
8.	Central Excise Registration Certificate	Assistant Commissioner, Central Excise Division	Registration No. AAJCA0517EEM001	March 29, 2011	Valid until cancelled
9.	Certificate of Registration under Central Sales Tax (Registration and Turnover) Rules, 1957	Commercial Tax Officer, Unit-28, Dhrangadhra	24580200762	February 4, 2011	Valid until cancelled
10.	Certificate of Registration under Gujarat Value Added Tax Act, 2003	Commercial Tax Officer, Unit-82, Dhrangadhra	Registration No.24080200762	February 4, 2011	Valid until cancelled
11.	Certificate of Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957	Commercial Tax Officer, Indore	Registration No.23179172686	January 25, 2016	Valid until cancelled

Sr. No .	Name of Registration/ License	Issuing Authority	Registration/ Licence no.	Date of Issue	Date of Expiry
12.	Certificate of Provisional Registration under the provisions of the Central Goods and Services Tax Act, 2017	Governement of India, Government of Gujarat	24AAJCA0517E1Z9	June 25, 2017	Valid until cancelled

Environment related Approvals

Sr. No .	Name of Registration/ License	Issuing Authority	Registration/ Licence no.	Date of Issue	Date of Expiry
1.	Consent to Establish (NOC) under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control Pollution) – 1981 Hazardous Waste (Management and Handling) Rules 1969 and Environmental (Protection) Act – 1986 for use of electricity at the capacity of 3MWH at its factory located at Plot No.52/1, 53/1-2, Village Sukhpur, Taluka Halvad, District Morbi.	Gujarat Pollution Control Board	Consent to Establish Order no. 43400	February 5, 2011	February 6, 2016
3.	Consolidated Consent and Authorization under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control Pollution) – 1981, Hazardous Waste (Management and Handling) Rules 1969 and Environmental (Protection) Act –	Gujarat Pollution Control Board	Consolidated Consent and Authorization Order No. AWH-57880	October 23, 2013	December 19, 2017

Sr. No.	Name of Registration/ License	Issuing Authority	Registration/ Licence no.	Date of Issue	Date of Expiry
	1986 for i) proposed manufacturing of the M. G. Craft Paper at capacity of 3550 MT/M ii) use of electricity, at the capacity of 3 MWH at its factory located at Plot No.52/1, 53/1-2, Village Sukhpur, Taluka Halvad, District Morbi.				
4.	Consent to Establish (NOC) under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control Pollution) – 1981 Hazardous Waste (Management and Handling) Rules 1969 and Environmental (Protection) Act – 1986 for proposed manufacturing of 2450 MT/M totalling at 6000MT/M in its factory located at Plot No.52/1,2, 53/1-2, Village Sukhpur, Taluka Halvad, District Morbi.	Gujarat Pollution Control Board	Consent to Establish Order No. 60844	March 3, 2014	October 31, 2018
5.	Consolidated Consent and Authorization under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control Pollution) – 1981, Hazardous Waste (Management and	Gujarat Pollution Control Board	Consolidated Consent and Authorization Order No. AWH-64830	<i>Issued on:</i> September 8, 2014 <i>Amended on:</i> September 11, 2014	December 19, 2017

Sr. No.	Name of Registration/ License	Issuing Authority	Registration/ Licence no.	Date of Issue	Date of Expiry
	Handling) Rules 1969 and Environmental (Protection) Act - 1986 for use of outlet for discharge of trade effluent and emission in respect of the product M.G. Craft Paper at proposed capacity of 2450MT/M totalling at 6000 MT/M at its factory located at Plot No.52/1, 53/1-2, Village Sukhpur, Taluka Halvad, District Morbi.				
6.	Amendment of Consent to Establish (NOC) Order No. CTE – 60844 under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control Pollution) – 1981 Hazardous Waste (Management and Handling) Rules 1969 and Environmental (Protection) Act – 1986 to establish additional boiler at its factory located at Plot No.52/1,2, 53/1-2 at Village Sukhpur, Taluka Halvad, District Morbi.	Gujarat Pollution Control Board	Amendment of Consent to Establish Order No. CTE - 71695	August 4, 2015	July 7, 2020
7.	Amendment of Consent to Establish (NOC) for setting up of an industrial plant/activities at Village.Sukhpur , Halvad , Morbi,	Gujarat Pollution Control Board	Consent to Establish Order No. CTE -89014	November 8, 2017	October 26, 2022


Sr. No.	Name of Registration/ License	Issuing Authority	Registration/ Licence no.	Date of Issue	Date of Expiry
	for the manufacturing of the items/products and increase in the product quantity from 6000 MT per month to 12000 MT per month in respect of its product M.G. Kraft paper				
8.	Certificate of Membership of Saurashtra Enviro Projects Private Limited for Integrated Common Hazardous Waste Management Facility	Saurashtra Enviro Projects Private Limited	Certificate No. – 1200000141	October 6 2017	October 5, 2022

Labour related Approvals

Sr. No.	Description	Authority	Registration / Licence No.	Date of Certificate/ License	Date of Expiry
1.	Letter of coverage confirmation	Assistant Commissioner, Employees Provident Fund Organisation, Rajkot	Code No. GJRAJ/0077307/000	July 5, 2012	-
2.	Contract Labour licence The license permits engagement of a maximum of 20 contract labourers in the Company.	Assistant Labour Commissioner and Licensing Officer, Assistant Labour Commissioner's Officer, Rajkot.	Licence No. 771/2013 (SRN)	<i>Date of Issue:</i> December 3, 2016 <i>Date of Renewal:</i> August 01, 2017	July 30, 2018
3.	Contract Labour licence The license permits engagement of a maximum of 20 contract labourers in the Company.	Assistant Labour Commissioner and Licensing Officer, Assistant Labour Commissioner's Officer, Rajkot.	Licence No. 94/2016	<i>Date of Issue:</i> December 03, 2016 <i>Date of Renewal:</i> February 01, 2017	March 30, 2018
4.	Contract Labour licence The license permits engagement of a maximum of 20	Assistant Labour Commissioner and Licensing Officer, Assistant Labour Commissioner's Officer, Rajkot.	Licence No. 97/2016	<i>Date of Issue:</i> December 3, 2016 <i>Date of</i>	June 14, 2018

Sr. No.	Description	Authority	Registration / Licence No.	Date of Certificate/ License	Date of Expiry
	contract labourers in the Company.			<i>Renewal:</i> June 16, 2017	
5.	Contract Labour licence The license permits engagement of a maximum of 20 contract labourers in the Company.	Assistant Labour Commissioner and Licensing Officer, Assistant Labour Commissioner's Officer, Rajkot.	Licence No. 708/2012 (SRN)	<i>Date of Issue:</i> December 03, 2016 <i>Date of Renewal:</i> June 01, 2017	May 30, 2018
6.	Licence to engage in the business with the business of Private Security Agency	Controlling Authority & Addl. Director General of Police Law and Order Gujarat State, Gandhinagar	Licence No. 0907318/Second/Surend ranagar	March 28, 2014	March 28, 2019
7.	Contract Labour licence. The license permits engagement of a maximum of 50 contract labourers in the Company.	Assistant Labour Commissioner and Licensing Officer, Assistant Labour Commissioner's Officer, Rajkot.	License No.708/2012	<i>Renewed on:</i> June 1, 2017	May 30, 2018

Intellectual Property related Approvals

Sr. No .	Particulars of Marks	Word/ Label Mark	Applicant	Application No.	Date of Filing	Class	Status
1.	Trademark (Device)	 astron	The Company	2432468	November 24, 2012	16	Registered

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at their meeting held on May 1, 2017, subject to the approval of shareholders through a special resolution to be passed pursuant to section 62(1)(c) of the Companies Act, 2013.

The shareholders of our Company have approved this Issue under section 62(1)(c) of the Companies Act 2013 *vide* a Special Resolution passed at our Company's Annual General Meeting held on May 23, 2017.

Prohibition by SEBI or Governmental Authorities

Our Company, our Directors, our Promoters, the Group Companies and companies or entities with which our Company's Directors are associated as Directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or Governmental Authority. The listing of any securities of our Company has never been refused at any time by any of the Stock Exchange in India. There are no violations of securities laws committed by them in the past or are pending against them. None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

Prohibition of Wilful Defaulters

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, Directors, nor our Group Companies are Wilful Defaulters.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements:

Our Company has net tangible assets of at least ₹ 30 Million in each of the preceding 3 full years (of 12 months each), of which not more than 50% are held as monetary assets.

Our Company has a minimum average pre-tax operating profit of ₹ 150 Million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years.

Our Company has a Net Worth of at least ₹ 10 Million in each of the preceding 3 full years (of 12 months each).

Our Company shall ensure that the aggregate of the proposed Issue and all previous issues made in the same financial year in terms of Issue size is not expected to exceed five (5) times our pre-Issue net worth as per the restated balance sheet of the last financial year.

Our Company has not changed its name in the last one year.

Our Company's pre-tax operating profit, net worth, net tangible assets and monetary assets derived from its Financial Information, as restated for Fiscals 2017, 2016, 2015, 2014 and 2013 are set forth below:

(₹ in Million)					
Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Financial Information, as restated					
Net Tangible Assets	452.33	352.79	291.97	236.26	226.48
Monetary Assets	60.60	52.98	33.54	28.23	69.99
Monetary Assets as a Percentage of Net Tangible Assets	13.40%	15.02%	11.49%	11.95%	30.91%
Pre -Tax Operating Profit	184.37	166.98	164.40	77.80	7.65
Average pre-tax operating profit of	171.92				

the three most profitable years					
Net Worth	453.19	353.59	292.75	236.46	226.67

Notes:

- a. Net Tangible Assets is the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India, in accordance with Explanation (I) of Regulation 26 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- b. Monetary assets represent the sum of current and non-current cash and bank balance.
- c. Net worth represents sum of share capital and reserves and surplus (capital reserve, securities premium, general reserve, foreign currency translation reserve and surplus in the Statement of profit and loss, as restated).
- d. Pre-Tax Operating Profit has been calculated as profit before tax excluding other income, finance costs and exceptional items.

Further, in accordance to Regulation 26(4) of the SEBI Regulations, if the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received.

Our Company is in compliance with the following conditions specified in Regulation 4(2) of the SEBI Regulations to the extent applicable:

- a) Our Company, our Directors and the companies with which our Directors are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
- b) Our Company has applied to the BSE and the NSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue and has received the in-principle approvals from the BSE and the NSE pursuant to their letters dated August 14, 2017 and July 28, 2017, respectively. For the purposes of this Issue, the BSE shall be the Designated Stock Exchange;
- c) Our Company has entered into tripartite agreement dated May 25, 2017 with NSDL and Link Intime India Private Limited for dematerialization of the Equity Shares;
- d) Our Company has entered into tripartite agreement dated May 24, 2017 with CDSL and Link Intime India Private Limited, for dematerialization of the Equity Shares; and
- e) The Equity Shares are fully paid and there are no partly paid-up Equity Shares as on the date of filing this RHP.

Further, in compliance with Regulation 4 (5) of the SEBI Regulations, none of our Company, Promoters or Directors is a Wilful Defaulter, as on the date of this RHP.

Disclaimer Clauses

DISCLAIMER CLAUSE OF THE SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN

FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY HEREBY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 19, 2017 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - a) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS ISSUE;**
 - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH**

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE SHALL ENSURE THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT OR PHYSICAL MODE ONLY. - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
- a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
 - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH

DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. - NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). - NOT APPLICABLE

The filing of this RHP does not, however, absolve the Company from any liabilities under Section 34 and Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the BRLM, any irregularities or lapses in this RHP.

All legal requirements pertaining to the Issue will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

The price information of past issues handled by the BRLM is as follows:

The price information of past issues handled by Pantomath Capital Advisors Private Limited is as follows:

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY
PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

Sr. No	Issue Name	Issue Size (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
1.	R M Drip and Sprinklers Systems Limited	11.46	57.00	October 4, 2017	57.1	37.72% (5.13%)	Not Applicable	Not Applicable
2.	Shree Tirupati Balajee FIBC Limited	10.80	40.00	October 5, 2017	45.00	15.25% (5.70%)	Not Applicable	Not Applicable
3.	Innovative Tyres and Tubes Limited	28.33	45.00	October 5, 2017	54.00	3.78% (5.70%)	Not Applicable	Not Applicable
4.	Poojawestern Metaliks Limited	5.47	36.00	October 5, 2017	39.50	36.11% (6.63%)	Not Applicable	Not Applicable
5.	Airo Lam Limited	15.21	38.00	October 6, 2017	45.60	29.74% (4.73%)	Not Applicable	Not Applicable
6.	Goldstar Power Limited	7.25	25.00	October 10, 2017	27.30	4.00% (2.86%)	Not Applicable	Not Applicable
7.	IRIS Business Services Limited	16.01	32.00	October 11, 2017	34.00	73.44% (4.45%)	Not Applicable	Not Applicable
8.	Tirupati Forge Limited	5.22	29.00	October 12, 2017	34.80	72.41% (2.23%)	Not Applicable	Not Applicable
9.	Beta Drugs Limited	19.52	85.00	October 12, 2017	102.00	38.24% (2.23%)	Not Applicable	Not Applicable
10.	Ambition Mica Limited	12.60	42.00	November 29, 2017	42.05	Not Applicable	Not Applicable	Not Applicable

Note – One Point One Solutions Limited has filed Red Herring Prospectus with Registrar of Companies for Initial Public Offer.

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by the Book Running Lead Manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 th Calendar day from listing date			Nos of IPOs trading at premium on 30 th Calendar day from listing date			Nos of IPOs trading at discount on 180 th Calendar day from listing date			Nos of IPOs trading at premium on 180 th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
15-16	***9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	****24 \$	204.56	-	-	5	6	3	9	-	1	5	11	1	6
17-18	*****2 0\$\$	326.13	-	-	2	6	6	6	-	1	-	2	-	1

***The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

****The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcruz Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016, December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

*****The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited and Beta Drugs Limited, were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017, July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017 and October 12, 2017 respectively.

\$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The scripts of Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited and Beta Drugs Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days and 180 Days respectively from the date of listing.

Note: Ambition Mica Limited has made a Further Public Offering in the Financial Year 2017-18 and hence the same has not been included in the above mentioned Summary Statement of Disclosure

Track record of past issues handled by the BRLM

For details regarding the track record of the Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of the BRLM, as set forth in the table below:

Sr. No.	Name of the Manager	Website
1.	Pantomath Capital Advisors Private Limited	www.pantomathgroup.com

For details regarding the track record of the BRLM to the Issue as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website of the BRLM www.pantomathgroup.com.

Disclaimer from the Company, Directors and the Book Running Lead Manager.

Bidders may note that our Company, the Directors and the BRLM accept no responsibility for statements made otherwise than in this RHP or in the advertisement or any other material issued by or at the instance of the Company and that any one, placing reliance on any other source of information including our Company's website, www.astronpaper.com, would be doing so at his own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement entered into between the Underwriters and our Company.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and bidders at large and no selective or additional information would be available for any section of the bidders in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company, the Book Running Lead Manager or any other member of the Syndicate shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Caution

Bidders that bid in this Issue are required to confirm and are deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not Issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. Our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any bidders on whether such bidder is eligible to acquire Equity Shares.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, affiliates or associates or third parties, for which they have received, and may in the 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 majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares) and to eligible non-residents, including NRIs, FIIs, FPIs and FVCIs. This RHP does not, however, constitute an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this RHP comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that the DRHP was submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby may not be Issued or sold, directly or indirectly, and this RHP may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this RHP 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 Issued or sold, and Bids may not be made by persons in any

such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be Issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being Issued and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

Disclaimer Clause of the BSE Limited

“BSE Limited (**“the Exchange”**) has given vide its letter dated August 14, 2017, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, 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 the Exchange. 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 the Exchange 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.”

Disclaimer Clause of the NSE

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter bearing Ref.: NSE/LIST/14197 dated July 28, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever.”

Filing

A copy of the DRHP has been filed with the Securities Exchange Board of India at SEBI Western Regional Office, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad – 380 009.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013, will be delivered for registration to the RoC and a copy of the Prospectus to be filed

under Section 26 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.

Listing

Application will be made to the BSE Limited and the NSE for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 6 (six) Working Days of the Bid/Issue Closing Date.

If our Company does not Allot Equity Shares pursuant to the Issue within 6 (six) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- a) makes or abets making of and application in a fictitious name, to a company for acquiring or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,**

shall be liable for action under Section 447..”

Consents

Necessary consents for the Issue have been/will be obtained from the following:

1. Our Directors;
2. the Company Secretary;
3. the Compliance Officer;
4. Chief Financial Officer
5. the Statutory Auditors;
6. the BRLM;
7. the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
8. the Registrar to the Issue;

9. Bankers to the Issue; and

10. Bankers to our Company

The said consents would be filed along with a copy of this Red Herring Prospectus with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, as required under the Companies Act, 2013 and such consents have not been withdrawn upto the time of delivery of this Red Herring Prospectus, for registration with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

In accordance with the Companies Act and the SEBI Regulations, M/s. S.N. Shah & Associates, Chartered Accountants, our Company's Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the RHP and such consent and report has not been withdrawn upto the time of delivery of the RHP for registration with the RoC.

Experts

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

Our Company has received written consent from the Auditor, who holds a valid peer review certificate, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this RHP and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the examination reports dated November 7, 2017 of the Auditors on the Financial Information, as restated, of our Company, audit report dated November 7, 2017 on the Special Purpose Interim Condensed Ind AS Financial Statements of our Company, and the statement of tax benefits dated June 14, 2017, included in this RHP and such consents have not been withdrawn as on the date of this RHP.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Issue expenses, see the chapter titled "Objects of the Issue" on page 98.

Previous Public or Rights Issues in the last 5 years

Our Company has not made any public or rights issue in the last 5 years.

Previous Issue of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as mentioned in the chapter titled "Capital Structure" beginning on page 80 of this RHP.

Commission or Brokerage on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares of our Company since inception.

Details of capital issue made during last three years in regard by the Company and other listed group companies/subsidiaries/associates which made any capital issue during the last three years

There has been no capital issue by any of our Group Companies/Subsidiaries during last 3 years. There are no other listed companies under the same management at present or during the at 3 years.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any public issue in the past.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Companies and Subsidiaries of our Company

We do not have any subsidiaries. Further, neither our Company nor any of group companies/associate companies have undertaken any previous public issues or right issues in the last ten years preceding the date of the DRHP.

Partly Paid-up Shares

The Company does not have any partly paid-up Equity Shares as on the date of this RHP.

Outstanding Debentures or Bonds or Redeemable Preference shares

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of this RHP.

Stock Market Data

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of Investors' grievance

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of letters of allotment, demat credit to enable the bidders to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Broker or the RTA or the DP with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre or address of the RTA or the address of the DP, as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the bidder shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Disposal of Investors' Grievances and Redressal Mechanism

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of Bidders applying through ASBA process for the redressal of routine investor grievances shall be 7 (seven) 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 appointed Mr. Uttambhai Patel as our Compliance Officer and he may be contacted in case of any pre Issue/post Issue related problems at the following address:

Astron Paper and Board Mill Limited,
Uttambhai Patel
Tel No: + 91-79-40081221
Fax No: + 91-79-40081220
Email: cs@astronpaper.com
Website: www.astronpaper.com

Our Company has not received any investor complaints during the three years preceding the filing of the DRHP with SEBI. Further, no investor complaints were pending as on the date of filing the DRHP with SEBI.

Further, we did not have any listed Group Company as on the date of filing of the DRHP with SEBI, and therefore there were no investor complaints pending as on the date.

Changes in the Auditors during the last three years and reasons thereof

Except as stated below, there have been no changes in the auditors of our Company during the three years preceding the date of this RHP:

Name	Date of Change	Nature of Change	Reason
S.N Shah & Associates	May 23, 2017	Appointment as Statutory Auditors of the Company	To fill the vacancy caused by resignation of SNDK & Associates, Chartered Accountants

Capitalization of Reserves or Profits during last five years

Except as stated in the chapter titled “Capital Structure” beginning on page 80 of this RHP, our Company has not capitalised its reserves or profits at any time since inception.

Revaluation of Assets during the last five years

There has not been any revaluation of assets during the last five years.

Outstanding Preference Shares

Our Company has not issued any preference shares since our incorporation and hence there are no outstanding preference shares(including redeemable preference shares)as on the date of this Red Herring Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy (“FDI Policy”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DIPP with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

Foreign investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details kindly refer the chapter titled “*Key Industry Regulations and Policies*” beginning on page 155 of this RHP.

RBI has also issued Master Circular on Foreign Investment in India dated July 1, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Foreign investment limit is allowed up to 100% under automatic route in our Company, subject to appropriate approvals of the shareholders in general meeting. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of 10% subject to the total sectoral cap of all FPIs/sub accounts put together being 24% of the paid-up capital of the Indian Company. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10%. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing of a special resolution to that effect by its Shareholders. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the Shareholders of the Indian company concerned. Currently, vide the Shareholders’ Resolution dated May 23, 2017 the investment by FPIs and FIIs in our Company have been increased from 24% to 100% of the paid-up equity share capital, and the investment by NRIs on repatriation basis in our Company have been increased from 10% to 24% of the paid-up equity share capital.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this RHP. Bidders are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, any addendum/corrigendum thereto, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Ranking of Equity Shares

The Equity Shares being offered pursuant to the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to chapter titled “Main Provisions of Articles of Association” beginning on page 316 of the RHP.

Mode of Payment of Dividend

We shall pay dividends, if declared, to our Shareholders, in accordance with the provisions of the Companies Act, Memorandum of Association, and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges and SEBI (LODR) Regulations, 2015. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash. For further details in relation to dividends, please see the chapters titled “Dividend Policy” and “Main Provisions of Articles of Association” beginning on pages 193 and 316, respectively of this RHP.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Issue Price is [●] times the face value of the Equity Shares. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Price Band, Issue Price and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book Building and advertised in all editions of Business Standard, which is a widely circulated English and Hindi newspaper; and Ahmedabad edition of Financial Express which is a widely circulated Gujarati newspapers, Gujarati being the regional language of Gujarat, where our Registered Office is located, and made available on the websites of the Stock Exchanges, atleast 5 (five) Working Days prior to the Bid/Issue Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

Compliance with the SEBI Regulations

Our Company shall comply with all the disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and SEBI (LODR) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to chapter titled “Main Provisions of Articles of Association” beginning on page 316 of the RHP.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI Regulations, the trading in the Equity Shares shall only be in dematerialised form for all Bidders. In this context, 2 (two) agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated May 25, 2017 among NSDL, our Company and the Registrar to the Issue; and
- Agreement dated May 24, 2017 among CDSL, our Company and the Registrar to the Issue.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is 1 (one) Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one subject to (i) a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-owners with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the

prescribed form.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective depository participant.

Period of operation of subscription list

For details, please see the section titled “Issue Structure – Bid/Issue Programme” on page 263 of the chapter titled “Issue Structure” beginning on page 259 of this RHP.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; and (ii) a subscription in the Issue equivalent to at least 25% post-Issue paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2) (b)(i) of the SCRR), including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received, no later than 70 days from the closure of the Issue in accordance with Regulation 14 of the SEBI (ICDR) Regulations. If there is a delay beyond the prescribed period, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

Further, in accordance with Regulation 26(4) of the SEBI (ICDR) Regulations, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 otherwise, the entire application money will be refunded forthwith. If there is a delay beyond 6 (six) working days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for (a) the lock-in of the pre-Issue capital of our Company and the Promoters’ minimum Contribution as provided in “Capital Structure” on page 87 and (b) otherwise provided in our Articles of Association, as described in the chapter titled “Main Provisions of the Articles of Association” beginning on page 316, there are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting.

Employee Discount

The Employee Discount, if any, will be offered to Eligible Employees at the time of making a Bid. Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Eligible Employees must mention the Bid Amount while filling the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an

undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of `200,000, subject to the total Allotment to an Eligible Employee not exceeding `500,000 (net of Employee Discount).

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares being offered through this Red Herring Prospectus can be applied for and will be allotted in dematerialized form only. Bidders will not have the option of Allotment of the Equity Shares in physical form. Further, as per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

Circuit Filter

In terms of the Bombay Stock Exchange Notice No. 20120123-26, dated January 23, 2012, and SEBI Circular No.: CIR/MRD/DP/02/2012, dated January 20, 2012, for issue size up to Rs. 250 Crores, trading shall take place in the Trade for Trade segment for the first 10 (ten) days with applicable price bands, wherein for the first day:

- No price band during pre-open session through call auction mechanism
- The price band in the normal trading session shall be 5% of the equilibrium price/ issue price.

As the Issue Size is less than Rs. 250 crores, the above circuit filters shall apply in respect of the price of the equity shares of our Company for the first 10 (ten) days of the listing of the equity shares of our Company.

ISSUE STRUCTURE

Issue comprising of upto 1,40,00,000 Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating upto ₹ [●] million. The Issue comprises of a Net Issue of [●] Equity Shares to Public and a reservation of upto 7,00,000 Equity Shares for subscription by Eligible Employees aggregating upto ₹ [●] million. The Issue will constitute 30.11 % of the post- Issue paid-up Equity Share capital of our Company and the Net Issue will constitute [●]% of the post- Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation/ Allotment (*)	Upto 7,00,000 Equity Shares.	[●] Equity Shares or Net Issue less allocation to Non Institutional Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIBs and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIBs and Non Institutional Bidders.
Percentage of Issue Size available for allocation/ Allotment	Upto 5 % of the Issue Size comprising of reservation of 3.00% for the eligible employees of our Promoter, Asian Granito India Limited; and 2.00% for the eligible employees of our Company. The Employee Reservation Portion comprises approximately [●]% of our Company's post Issue paid-up Equity Share capital.	10 % of the Net Issue shall be available for allocation to QIBs. However, upto 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Any unsubscribed portion in the Mutual Fund reservation will be added to the QIB Portion.	Not less than 55% of the Net Issue	Not less than 35% of the Net Issue.
Basis of allocation/Allotment if respective category is oversubscribed (*)	Proportionate as follows: a) Upto 4,20,000 Equity Shares shall be available for allocation on a proportionate basis to	Proportionate as follows: a) [●] Equity Shares constituting 5% of the Net QIB Portion, shall be available for allocation on a proportionate basis to Mutual Funds; (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including	Proportionate	On a proportionate basis subject to Minimum Lot as explained in the section titled "Issue Procedure – Part B – General Information Document for Investing in Public Issue – Allotment

	the eligible employees of Corporate Promoter; (b) Upto 2,80,000 Equity Shares shall be available for allocation on a proportionate basis to the eligible employees of our Company;	Mutual Funds receiving allocation as per (a) above.		Procedure and Basis of Allotment” on page 304.
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter after such that the Bid Amount exceeds ₹ 2,00,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares in multiples of [●] equity shares so as to ensure that the Bid Amount does not exceed ₹ 5,00,000.	Such number of Equity Shares not exceeding the size of the Net Issue, subject to the regulations as applicable to the Bidder.	Such number of Equity Shares not exceeding the size of the Net Issue, subject to the regulations as applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid amount does not exceed ₹ 2,00,000.
Mode of Allotment	Compulsorily Dematerialized mode	Compulsorily Dematerialized mode	Compulsorily Dematerialized mode	Compulsorily Dematerialized mode
Bid Lot	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One (1) Equity Share,	One (1) Equity Share.	One (1) Equity Share.	One (1) Equity Share.
Who can apply(**)	Eligible Employees comprising of eligible employees of our Corporate Promoter; and eligible employees of our Company.	Mutual Funds, Venture Capital Fund, FVCI, FPIs (other than Category III FPIs), Public financial institutions, as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian individuals, HUF (in the name of Karta), Eligible NRIs and sub-accounts of FIIs	Resident Indian individuals, (including HUFs in the name of the Karta) and Eligible NRIs.

		development financial institutions, FPIs other than Category III Foreign Portfolio Investors, FVCIs, VCFs, AIFs, state industrial development corporation, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government 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 systematically important NBFCs.	registered with SEBI, which are foreign corporates or foreign individuals, eligible QFIs and Category III FPIs.	
Mode of Bidding	Only through the ASBA process	Only through the ASBA process.	Only through the ASBA process	Only through the ASBA process
Terms of payment	<p>The entire Bid Amount shall be blocked at the time of submission of Bid cum Application Form to the members of the Syndicate.</p> <p>In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form.</p>	<p>The entire Bid Amount shall be blocked at the time of submission of Bid cum Application Form to the members of the Syndicate.</p> <p>In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form.</p>	<p>The entire Bid Amount shall be blocked at the time of submission of Bid cum Application Form to the members of the Syndicate.</p> <p>In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form.</p>	<p>The entire Bid Amount shall be blocked at the time of submission of Bid cum Application Form to the members of the Syndicate.</p> <p>In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form.</p>

[#] Assuming full subscription to Issue.

**Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b)(i) of the SCRR read with Regulation 41 of the SEBI (ICDR) Regulations, this is an Issue for at least 25% of the post-Issue paid-up Equity Share capital of our Company. In the event the post- Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹16,000 million but less than or equal to ₹40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum Issue to*

public will be at least such percentage which will be equivalent to ₹4,000 million calculated at the Issue Price. The Issue is being made through the Book Building Process wherein 10% of the Issue shall be available for allocation on a proportionate basis to QIBs 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 55% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI (ICDR) Regulations, 2009 subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, other than the QIB category, would be allowed to be met with spill over from the other categories, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue to the public.

In case of oversubscription in Retail Category, maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot ("Retail – Bid Lot Allottees"). The Allotment to Retail Individual Bidders will then be made in the following manner:

- i. In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Retail – Bid Lot Allottees, (i) all such Retail Individual Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to those Retail Individual Bidders who have applied for more than the minimum Bid Lot, for the balance demand of the Equity Shares Bid by them (i.e. the difference between the Equity Shares Bid and the minimum Bid Lot).
- ii. In the event number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than the Retail – Bid Lot Allottees, those Retail Individual Bidders, who will be Allotted the minimum Bid Lot shall be determined the basis of draw of lots. In the event of a draw of lots, Allotment will only be made to such Retail Individual Bidders who are successful pursuant to such draw of lots.

Eligible Employees bidding in the Employee Reservation Portion should note that while filling the "SCSB/Payment Details" block in the Bid-cum-Application Form, they must mention the Payment Amount, i.e., the Bid Amount, as applicable. Please refer to the chapter titled "Issue Procedure" beginning on page 265 of this RHP, for further information including rejection of Bids.

Under-subscription, if any, in any category, other than the QIB category, would be met with spill-over from the other categories or a contribution of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Our Company, may in consultation with the BRLM, offer a discount to Eligible Employees ("**Employee Discount**") in accordance with the SEBI Regulations.

A total of upto 7,00,000 Equity Shares aggregating upto ₹ [●] million shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion.

****In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form.**

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within 1 (one) day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that they will proceed with a fresh issue of the Equity Shares, our Company shall file a fresh DRHP with SEBI. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC

Employee Discount

The Employee Discount, if any, will be offered to Eligible Employees at the time of making a Bid. Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Eligible Employees must mention the Bid Amount while filling the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount).

Bid/Issue Programme

Bid/Issue opens on:	December 15, 2017
Bid/Issue closes on:	December 20, 2017

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

Event	Indicative Date
Bid/Issue Closing Date	On or about December 20, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about December 26, 2017
Initiation of refunds/un-blocking of ASBA Accounts	On or about December 27, 2017
Credit of Equity Shares to demat accounts of Allottees	On or about December 28, 2017
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about December 29, 2017

The above timetable is indicative and does not constitute any obligation on our Company or the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 6 (six) 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 in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time, "IST") during the Bid/ Issue Period (except the Bid/Issue Closing Date) as mentioned above at the Bidding Centres and the Designated Branches mentioned on the Bid cum Application Form or by members of the Syndicate at the Specified Locations or by the Registered Brokers at the Broker Centre except that:

- (i) in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;
- (ii) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

- (iii) in case of Bids by Retail Individual Bidders and bids by Eligible Employee, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by book running lead managers to the Stock Exchanges.

It is clarified that the Bids not uploaded on the online IPO system would be rejected. Due to limitation of time available for uploading Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and no later than 1.00 p.m. (IST) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on 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 Working Days). Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. Bids directly submitted to SCSBs by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Our Company or any member of the Syndicate is not liable for any failure in uploading the Bids due to faults in any software /hardware system or otherwise.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period, in accordance with the SEBI Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least 3 (three) additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 (ten) Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLM and the terminals of the other members of the Syndicates.

ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“**General Information Document**”) included below under “ – Part B - General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue, read with the rules thereto. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and the General Information Document. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA process mandatory for all investors (except for Anchor Investors), allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process wherein 10% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 55% 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 to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders shall participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Issue, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the sole discretion of our Company, in consultation with the BRLM and the Designated 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.

Further, upto 5% of the Issue, i.e., ₹ [•] million shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. Any unsubscribed portion in Employee Reservation Category shall be added to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Bid cum Application Forms which do not have the details of the Bidders’ PAN, (other than Bids made on behalf of the Central and the State Governments, residents of the state of

Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Retail Individual Bidders can submit their Bids by submitting Bid cum Application Forms, in physical form, to the members of the Syndicate, the sub-Syndicate, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Bid cum Application Forms, will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges, NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid Opening Date.

QIBs, Non-Institutional Bidders and Retail Individual Bidders shall mandatorily participate in the Issue only through the ASBA process.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Syndicate, the sub-Syndicate or the Registered Brokers or Registrars to an Issue and Share Transfer Agents or Depository Participants. The physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate / sub-Syndicate and at our Registered Office.

Upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Brokers, or Registrars to an Issue and Share Transfer Agents and Depository Participants to comply with the obligations set out in the SEBI circulars nos. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, including in relation to uploading the Bids on the online system of the Stock Exchanges and forwarding the schedule along with the Bid cum Application Form to the relevant branch of the SCSB and they are liable for any failure in this regard.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis**	White
Non-Residents including Eligible NRIs, FIIs, FPIs, or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis**	Blue
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form.*

** *Bid cum Application forms will also be available on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com). Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, or to the Syndicate (in Specified Cities).*

Who can Bid?

In addition to the category of Bidders set forth under **“Part B- General Information Document for Investing in Public Issues - Category of Investors Eligible to participate in an Issue”**, on page 280 the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III Foreign Portfolio Investor;

- Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors category;
- Eligible Employees Bidding in the Employee Reservation Portion;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by associates and affiliates of BRLM and Syndicate member(s)

The BRLM and the Syndicate member(s) shall not be entitled to purchase in this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate member(s) may subscribe to or acquire Equity Shares in the Issue, either in the Net QIB Portion or Non-Institutional Portion as may be applicable to such Bidder, where the allocation is on a proportionate basis. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates and affiliates of BRLM and Syndicate member(s), shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. Further, a certified copy of their certificate of registration issued by SEBI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

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.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through the ASBA process only by blocking the funds for the amount payable on application in their NRE Account or FCNR Accounts, maintained with banks authorised by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by blocking the relevant funds in their NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of NRO accounts.

Bids by FIIs (including FIIIs)

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' are subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of 3 (three) years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which

means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure 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. In case of Bids made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Bid cum Application form, failing which our Company reserves the right to reject the Bid without assigning any reasons thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold upto 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

- i. Bids under Employee Reservation Portion by Eligible Employees shall be: made only in the prescribed Bid cum Application Form or Revision Form.
- ii. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The

maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount).

- iii. Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- iv. The Bidder should be an Eligible Employee as defined above. In case of joint Bids, the first Bidder shall be an Eligible Employee.
- v. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- vi. Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.
- vii. Eligible Employees can apply at Cut-off Price.
- viii. Bid by Eligible Employees can be made also in the Net Issue and such Bids shall not be treated as multiple Bids.
- ix. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- x. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.
- xi. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis.

For further details, please see “Issue Procedure - Allotment Procedure and Basis of Allotment” on page 304 of this RHP.

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 ASBA applications.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The SEBI VCF Regulations and the SEBI FVCI Regulations, as amended, inter alia prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Red Herring Prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I AIF or FVCI, as the case may.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by Insurance Companies

In case of Bids made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

1. equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
3. the industry sector in which the investee company belong to: 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 points (i), (ii) and (iii) above, as the case may be.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any such Bid without assigning any reasons therefor.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* pink colour form).

- (b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an undersubscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount).
- (c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- (d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- (f) Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.
- (g) Eligible Employees can apply at Cut-off Price. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of ₹ 500,000.
- (h) Bid by Eligible Employees can be made also in the “Net Issue to the Public” and such Bids shall not be treated as multiple Bids.
- (i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting [●] % of the post- Issue share capital of the Company.
- (k) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to “*Issue Procedure – Allotment Procedure and Basis of Allotment*” on pages 304.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

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 all editions of Business Standard, which is a widely circulated English and Hindi newspaper; and Ahmedabad edition of Financial Express which is a widely circulated Gujarati newspapers, Gujarati being the regional language of Gujarat, where our Registered Office is located.

General Instructions

In addition to the general instructions provided in the sub-section titled “**Part B – General Information Document for Investing in Public Issues**” on page 278. Bidders are requested to note the additional instructions provided below.

Do’s:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at bidding centres and not to our Company.
6. Ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. QIBs, the Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only.
8. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
9. Ensure that you request for and receive a TRS for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Non-Syndicate Registered Broker (at the Broker Centres) or RTAs/DPs at the bidding centers;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
12. Submit revised Bids to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Bid was placed and obtain a revised TRS;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
14. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
16. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms.
17. Ensure that the Bids are submitted at the Bidding centres only on the forms bearing the stamp of the Syndicate member (except in case of electronic form) or with respect to ASBA Bidders Ensure that your Bid is submitted either to a member of the Syndicate (at the Specified Locations), a designated Branch of the SCSB (where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for Bidding has a bank account), RTAs or DPs.
18. Ensure that the name(s) given in the Bid cum Application Form is/ are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum

Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

19. Ensure that the category and sub-category is indicated;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
21. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
22. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Non-Syndicate Registered Brokers or RTAs or DPs, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
23. Ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/ or relevant SCSB and/ or the Designated Branch and/ or the Non-Syndicate Registered Broker at the Broker Centres or RTAs/DPs bidding centres (except in case of electronic forms);
24. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
25. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI <http://www.sebi.gov.in>. ASBA Bidders Bidding through a Registered Broker/RTAs/DPs should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers/RTAs/DPs to deposit Bid cum Application Forms;
26. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
27. Ensure that you have correctly signed the authorization/ undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
28. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, or from RTAs and DPs at the bidding centers as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, or the RTAs or the DPs as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order, cheques or demand drafts or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Non-Syndicate Registered Brokers or the RTAs or the DPs only;
6. Do not submit the Bid cum Application Forms to our Company or the Registrar to the Issue;
7. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or RTAs or DPs or the SCSBs;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
9. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors);

10. Do not bid for a Bid Amount exceeding ₹500,000 (for Bids by Eligible Employees);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
12. Do not submit the GIR number instead of the PAN;
13. Do not submit the Bids without the full Bid Amount
14. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
16. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
17. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/ Issue Closing Date for QIBs;
18. If you are a Non-Institutional Investor, Retail Individual Investor or Eligible Employee do not submit your Bid after 3.00 pm on the Bid/ Issue Closing Date;
19. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
21. Do not submit more than 5 (five) Bid cum Application Forms per ASBA Account;
22. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres or to the RTAs and DPs at a location other than the bidding centers of such RTAs or DPs;
23. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at [http:// www.sebi.gov.in](http://www.sebi.gov.in));
24. Do not submit ASBA Bids to a Registered Broker /RTAs/DPs unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker/RTAs/DPs to deposit the Bid cum Application Forms (a list of such branches is available on the website of SEBI at [http:// www.sebi.gov.in](http://www.sebi.gov.in)); and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filing the Bid cum Application Form/Application Form*” on page 282, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Bids through ASBA must be made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the Bid cum Application Form.
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs, FPIs, QFIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or

their nominees. Bids by Eligible NRIs and QFIs for a Bid Amount of upto ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*” on page 301, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without payment of the entire Bid Amount;
2. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the bank account details in the Bid cum Application Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as given in the sub-section titled “*Who can Bid?*” on page 266;
5. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Book Running Lead Manager or Registered Brokers or RTAs or DPs, as the case may be;
6. Signature of First/sole Bidder missing;
7. The Bid cum Application Form not being signed by the account holders, if the account holder is different from the Bidder;
8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/22 /2010) dated July 29, 2010;
9. GIR number furnished instead of PAN;
10. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;
11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Bids accompanied by stock invest/money order/postal order/cash;
13. Bids by U.S. Persons, as defined under Regulation S of the U.S. Securities Act, outside the United States; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders and Eligible Employees uploaded after 5.00 p.m. on the Bid Closing Date, unless extended by the Stock Exchanges.

Signing of the Underwriting Agreement and the RoC Filing

- a. Our Company and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.
- b. After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

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 shall be liable for action under Section 447.”

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

Undertakings by our Company

Our Company undertakes the following that:

- i. if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice to be issued by our Company within 2 (two) days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- ii. if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- iii. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- iv. all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 6 (Six) Working Days of the Bid/Issue Closing Date;
- v. the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- vi. completion of Allotment and dispatch of the Allotment Advice, including any revisions, if required, shall be done within the time prescribed under Applicable Law, and in the event of failure to do so, the Company shall ensure payment of interest to the Bidders in respect of which there was such a failure, as required under Applicable Law.
- vii. the certificates of the securities/ instructions for unblocking of funds, in case of unsuccessful Bidders to Eligible NRIs shall be despatched within specified time;
- viii. no further issue of the 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.;
- ix. adequate arrangements shall be made to collect all Bid cum Application Forms under the ASBA process while finalising the Basis of Allotment;
- x. the Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought have been received.

Utilisation of Issue Proceeds

The Board of Directors certify that:

- 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;
- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters’ contribution shall be disclosed, and continue to be

disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders / Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders / Applicants should rely on their own examination of the Company and the Issue, and should carefully read the Red Herring Prospectus/ Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “**SEBI ICDR Regulations**”).

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the Company undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Company with the Registrar of Companies (“RoC”). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ Application Form and the Abridged Prospectus of the Company in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Company is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants may refer to “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Company to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Company.

For undertaking an IPO, a Company is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Company, Bidders/Applicants may refer to the RHP/ Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Company to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed company.

For undertaking an FPO, the company is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/ 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the company, Bidders/ Applicants may refer to the RHP/ Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an company proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/ Applicants may refer to the RHP/ Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, a company can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). A company may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of affixed price issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The company shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least 5 (five) Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least 1 (one) Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/ Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 Issue Period

The Issue may be kept open for a minimum of 3 (three) Working Days (for all category of Bidders/ Applicants) and not more than 10 (ten) Working Days. Bidders/Applicants are advised to refer to the Bid Cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of Stock Exchange(s).

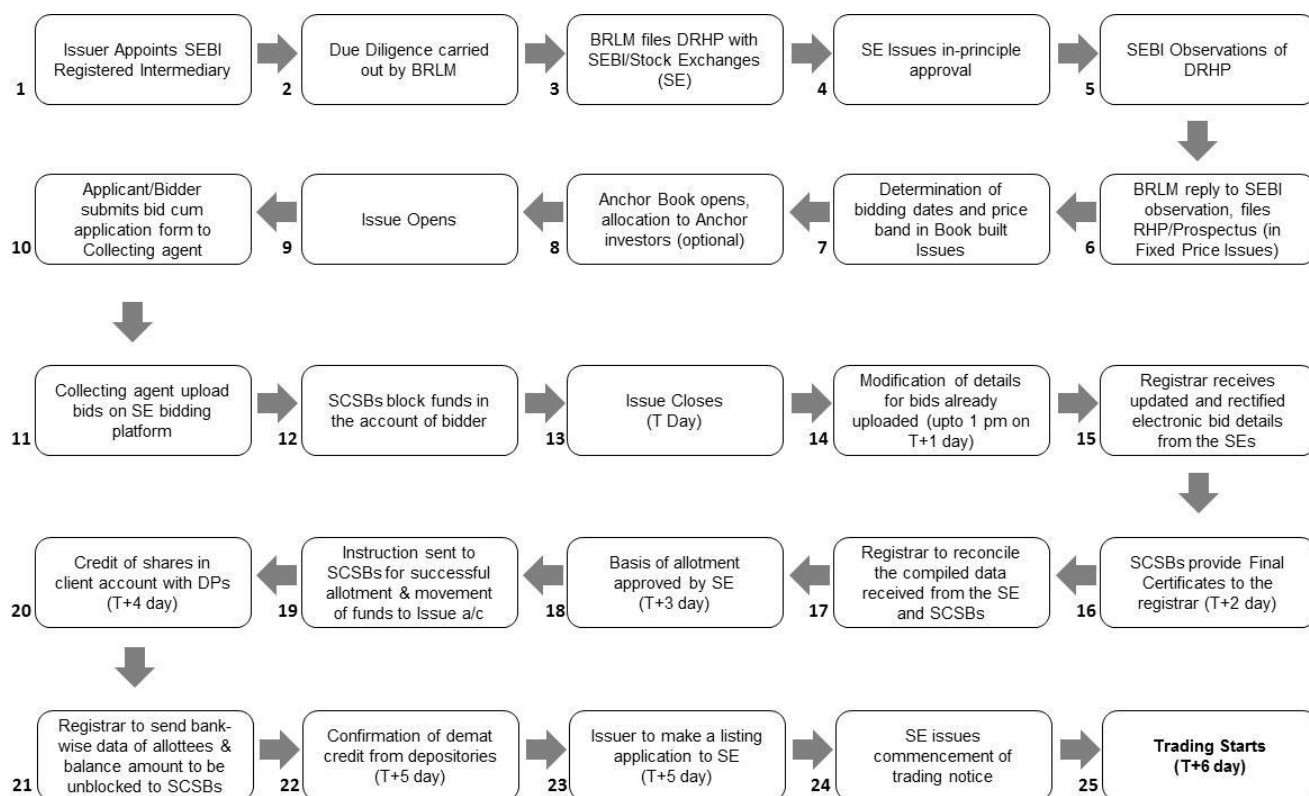
In case of a Book Built Issue, the company may close the Bid/ Issue Period for QIBs 1 (one) Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least 3 (three) Working Days, subject to the total Bid/ Issue Period not exceeding 10 (ten) Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Company on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 Flow Chart Of Timelines

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs.:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- (i) Step7: Determination of Issue Date and Price;
- (ii) Step10: Applicant submits ASBA Application Form with Designated Branch of SCSB;
- (iii) Step11: SCSB uploads ASBA Application details in Stock Exchange Platform;
- (iv) Step12: Issue period closes;
- (v) Step15: Not Applicable.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/ Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/ Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/ Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders/ Applicants is as follows:

- i. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- ii. Bids/ Applications belonging to an account for the benefit of a minor(under guardianship);
- iii. Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/ Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ Application Form as follows:
- iv. “Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;

- v. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- vi. QIBs;
- vii. NRIs on are patriation basis or on a non-repatriation basis subject to applicable law;
- viii. Qualified Foreign Investors subject to applicable law;
- ix. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- x. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- xi. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional Investors (NIIs) category;
- xii. FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- xiii. FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- xiv. Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrespective constitutions to hold and invest in equity shares;
- xv. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- xvi. Any other person eligible to Bid/ Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of Registrars to an Issue and Share Transfer Agents (RTAs) or stamp of Depository Participants (DPs), or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Company. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least 1 (one) day prior to the Bid/ Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified Cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Company. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/ Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis.	White
NRIs, FVCIs, foreign individuals bidding under the QIB), Eligible FPIs, on are repatriation basis.	Blue
Eligible Employees.	Pink

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form – For Residents

COMMON BID-CUM APPLICATION FORM		ASTRON PAPER & BOARD MILL LIMITED - INITIAL PUBLIC OFFER - R Registered Office & Corporate Office: 5th Floor, South Plaza, Connaught Place, Opposite - High Court, S.G. Highway, Ghaziabad - 201001, Greater Noida, Uttar Pradesh, India. Tel: +91-91-26441222, Fax: +91-91-26441223 E-mail: info@astronpaper.com , Website: www.astronpaper.com , Corporate Identification Number: U20902UP2005PLC00428		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND RESIDENT NRIs APPLYING ON A NON-REPATRIATION BASIS																										
astron To, The Board of Directors ASTRON PAPER & BOARD MILL LIMITED		BOOK BUILT OFFER ISIN - INE66N000014		Bid Cum Application Form No. _____																										
MEMBER OF THE SYNDICATE STAMP & CODE _____		REGISTERED BROKER'S / RCB / CFI / RIA STAMP & CODE _____		1. NAME & CONTACT DETAILS OF SOLE/STREET BIDDER Mr./Ms./M/s. _____ Address: _____ _____ _____ Tel. No. (with STD code) / Mobile: _____ Email: _____																										
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE _____		RCB BRANCH STAMP & CODE _____		2. PAN OF SOLE / FIRST BIDDER _____																										
BANK BRANCH SERIAL NO. _____		RCB SERIAL NO. _____		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSE <input type="checkbox"/> CDSL For NSE: enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL: enter 14 Digit Client ID.																										
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF") <table border="1"> <thead> <tr> <th rowspan="2">Bid Option</th> <th rowspan="2">No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/-, subject to figures)</th> <th rowspan="2">Category</th> </tr> <tr> <th>Bid Price</th> <th>Retain Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Retail Individual Bidder</td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Non Institutional Bidder</td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/> QIB</td> </tr> </tbody> </table>		Bid Option	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/-, subject to figures)			Category	Bid Price	Retain Discount	Net Price	Option 1					<input type="checkbox"/> Retail Individual Bidder	(OR) Option 2					<input type="checkbox"/> Non Institutional Bidder	(OR) Option 3					<input type="checkbox"/> QIB	5. INVESTOR STATUS <input type="checkbox"/> Individual - (RI) <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Hindu Corporate - CH <input type="checkbox"/> Partnership Firm - PF <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non Resident Indian - NRI <input type="checkbox"/> Non Resident Indian - NRI <input type="checkbox"/> National Investment Funds - NIF <input type="checkbox"/> Other (File - OTH) <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternate Investment Funds - AIF <input type="checkbox"/> All entities other than (RI, RCB, Corporate and Individuals - RCB) <input type="checkbox"/> Systemically Important (SIF) *HUF should apply only through Karta (Application by HUF would be treated as per HUF individual)	
Bid Option	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/-, subject to figures)				Category																						
		Bid Price	Retain Discount	Net Price																										
Option 1					<input type="checkbox"/> Retail Individual Bidder																									
(OR) Option 2					<input type="checkbox"/> Non Institutional Bidder																									
(OR) Option 3					<input type="checkbox"/> QIB																									
6. PAYMENT DETAILS Amount Reserved (₹ in Figures): _____ (If in words) ASBA Bank A/c No.: _____ Bank Name & Branch: _____		PAYMENT OPTION - FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>		7. SIGNATURE OF SOLE / FIRST BIDDER _____ Date: _____, 2017																										
8. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (SIGNED BY BIDDER'S ACCOUNTS) (Signature to be used in all communications to the Registrar of Companies)		9. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (SIGNED BY BIDDER'S ACCOUNTS) (Signature to be used in all communications to the Registrar of Companies)		MEMBER OF THE SYNDICATE REGISTERED BROKER / RCB / CFI / RIA STAMP/ACKNOWLEDGING UPLOAD OF BID IN STOCK EXCHANGE SYSTEM _____																										
astron		ASTRON PAPER & BOARD MILL LIMITED - INITIAL PUBLIC OFFER - R		Bid Cum Application Form No. _____																										
DPID / CIN: _____		PAN of Sole / First Bidder: _____		Amount Reserved (₹ in Figures): _____ ASBA A/c No.: _____																										
Bank & Branch: _____		Signature & Stamp of RCB Branch: _____		Registered From Mr./Ms./M/s. _____																										
Telephone / Mobile: _____ Email: _____		_____		_____																										
ASTRON PAPER & BOARD MILL LIMITED - INITIAL PUBLIC OFFER - R		ASTRON PAPER & BOARD MILL LIMITED - INITIAL PUBLIC OFFER - R		ASTRON PAPER & BOARD MILL LIMITED - INITIAL PUBLIC OFFER - R																										
Name of Bidder: _____		Name of Bidder: _____		Name of Bidder: _____																										
No. of Equity Shares: _____		No. of Equity Shares: _____		No. of Equity Shares: _____																										
Bid Price: _____		Bid Price: _____		Bid Price: _____																										
Amount Reserved (₹): _____		Amount Reserved (₹): _____		Amount Reserved (₹): _____																										
ASBA Bank A/c No.: _____		ASBA Bank A/c No.: _____		ASBA Bank A/c No.: _____																										
Bank & Branch: _____		Bank & Branch: _____		Bank & Branch: _____																										
Bid Cum Application Form No. _____		Bid Cum Application Form No. _____		Bid Cum Application Form No. _____																										

[illegible]

- (a) Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/ Applicants should note that the name and address fields are compulsory and e-mail and/ or telephone number/ mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum Application Form/ Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of ASB A

Bidders/ Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Company, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

- (c) **Joint Bids/ Applications:** In the case of Joint Bids/ Applications, the Bids / Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such First Bidder/ Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder/ Applicant whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/ Applicants is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:
 1. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
 2. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
 3. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*
 4. *The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount.”*
- (e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

4.1.2. FIELD NUMBER 2: PAN NUMBER OF SOLE/ FIRST BIDDER/ APPLICANT

- (a) PAN (of the sole/ First Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim (“**PAN Exempted Bidders/ Applicants**”). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. A Bid cum Application Form/ Application Form without PAN, except in case of Exempted Bidders/ Applicants, is liable to be rejected. Bids/ Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/ Application Forms which provide the General Index Register Number

instead of PAN may be rejected.

- (e) Bids/ Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as **"Inactive demat accounts"** and demographic details are not provided by depositories.

4.1.3. FIELD NUMBER 3: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/ Application Form. The DP ID and Client ID provided in the Bid cum Application Form/ Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form/ Application Form is liable to be rejected.
- (b) Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/ Application Form is active.
- (c) Bidders/ Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/ Application Form, the Bidder/ Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice or unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Bidders/ Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/ Applicants' sole risk.

4.1.4. FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Company. The Company is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least 1 (one) English, 1 (one) Hindi and 1 (one) regional newspaper, with wide circulation, at least 5 (five) Working Days before Bid/ Issue Opening Date in case of an IPO, and at least 1 (one) Working Day before Bid/ Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs / FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (section 5.6 (e)).
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Company in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by a company on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Company.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail

Individual Investors and Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

- (b) For NRIs, a Bid Amount of upto ₹ 200,000 may be considered under the Retail Portion for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Company, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (section 5.6 (e))

4.1.4.2 Multiple Bids

- (a) Bidder should submit only 1 (one) Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at 3 (three) different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
- i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than 1 (one) scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5. FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Upto 60% of the QIB Portion can be allocated by the Company, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/ Prospectus.
- (c) A Company can make reservation for certain categories of Bidders/ Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/ Applicants may refer to the RHP/ Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in the Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/ Applicant may refer to the RHP/ Prospectus.

4.1.6. FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/ Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/ Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/ Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.
- (c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/ Applicants should ensure that their investor status is updated in the Depository records.

4.1.7. FIELD NUMBER 7: PAYMENT DETAILS

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable)

along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than 1 (one) Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of 3 (three) options at net price, i.e. Bid price less Discount offered, if any.

- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) Bidders can participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - i. in physical mode to the Designated Branch of an SCSB where the Bidders/ Applicants have ASBA Account, or
 - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - iii. in physical mode to a member of the Syndicate at the Specified Locations, or Registered Brokers of the Stock Exchange or RTAs or DPs.
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From 1 (one) ASBA Account, a maximum of 5 (five) Bids cum Application Forms can be submitted.
- (f) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least 1 (one) branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at [http:// www.sebi.gov.in](http://www.sebi.gov.in)).
- (g) ASBA Bidders bidding through a Registered Broker/**RTAs/DPs** should note that Bid cum Application Forms submitted to the Registered Brokers/ **/RTAs/DPs** may not be accepted by the Registered Broker/ **/RTAs/DPs**, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least 1 (one) branch at that location for the Registered Brokers. **/RTAs/DPs** to deposit Bid cum Application Forms.
- (h) ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 (six) Working Days of the Bid/ Issue Closing Date.

4.1.7.2 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.3 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/ Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than 2 (two) lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8. FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/ Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorization/ undertaking box in the Bid cum Application Form/ Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/ Application Form.
- (d) Bidders/ Applicants must note that Bid cum Application Form/ Application Form without signature of Bidder/ Applicant and / or ASBA Account holder is liable to be rejected.

4.1.9. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker, RTAs or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bids/ Applications made in the Issue should be addressed as under:
 - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/ Applicants should contact the Registrar to the Issue.
 - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/ Applicants should contact the relevant Designated Branch of the SCSB.
 - (iii) In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/ Applicants should contact the relevant Syndicate member(s).
 - (iv) In case of queries/RTA/DP relating to uploading of Bids by a Registered Broker, the Bidders/ Applicants should contact the relevant Registered Broker RTA/DP.
 - (v) Bidder/ Applicant may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.
- (c) The following details (as applicable) should be quoted while making any queries -
 - (i) full name of the sole or First Bidder/ Applicant, Bid cum Application Form number, Applicants'/ Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - (ii) name and address of the member of the Syndicate, Registered Broker RTA/DP or the Designated Branch, as the case may be, where the Bid was submitted or
 - (iii) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/ Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/ Issue Period, any Bidder/ Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free

to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/ Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/ Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/ Applicant had placed the original Bid. Bidders/ Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

Revision Form

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

Revision Form - Residents

COMMON BID REVISION FORM	ASTRON PAPER & BOARD MILL LIMITED - INITIAL PUBLIC OFFER - R <small>Registered Office & Corporate Office: 2nd Floor, 2nd Avenue, North Point, Singapore. High Court, S.G. Highway, Singapore - 098469. Contact Person: Mr. Suresh Kumar, Tel: +65 79-4881225, Fax: +65 79-4881226. E-mail: initialpublicoffer@astron.com.sg, Website: www.astronpaper.com.sg, Corporate Identification Number: U208963204/CM0425</small>	FOR RESIDENT INDIANS, INCLUDING RESIDENT OVERS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS																																										
The Board of Directors ASTRON PAPER & BOARD MILL LIMITED		BOOK BUILT OFFER SIN - EN264CX00044																																										
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Revision Forms – Non Resident

COMMON BID REVISION FORM	ASTRON PAPER & BOARD MILL LIMITED - INITIAL PUBLIC OFFER - NR <small>Regional Office & Corporate Office: D-78, Seventh Floor, Ganga Mahal, Opposite - High Court, S.G. Highway, Ahmedabad - 380005. Contact Person: Mr. Umesh Patel, Tel: +91 79 68611222, Fax: +91 79 68611228. E-mail: info@astronpaper.com, Website: www.astronpaper.com, Corporate Identification Number: U28990GJ2005PLC046428</small>	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRGA, FPA, FPIs OR FVCI, ETC APPLYING ON A REGISTRATION BASIS																														
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<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">ASTRON PAPER & BOARD MILL LIMITED - BID REVISION FORM - INITIAL PUBLIC OFFER - NR</th> <th colspan="2">Name of Sole / First Bidder</th> </tr> <tr> <td style="width: 20%;">No. of Equity Shares</td> <td style="width: 20%;">Option 1 Option 2 Option 3</td> <td colspan="2" rowspan="3"> Stamp & Signature of Syndicate Member / Registered Broker / CSR / CDP / RTA </td> </tr> <tr> <td>Bid Price</td> <td></td> </tr> <tr> <td>Additional Amount Blocked (₹)</td> <td></td> </tr> <tr> <td colspan="2">ASTRA Bank A/c No.:</td> <td colspan="2"> Acknowledgement Slip for Bidder </td> </tr> <tr> <td colspan="2">Bank & Branch:</td> <td colspan="2"> Bid Cum Application Form No. </td> </tr> </table>			ASTRON PAPER & BOARD MILL LIMITED - BID REVISION FORM - INITIAL PUBLIC OFFER - NR		Name of Sole / First Bidder		No. of Equity Shares	Option 1 Option 2 Option 3	Stamp & Signature of Syndicate Member / Registered Broker / CSR / CDP / RTA		Bid Price		Additional Amount Blocked (₹)		ASTRA Bank A/c No.:		Acknowledgement Slip for Bidder		Bank & Branch:		Bid Cum Application Form No.											
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4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER/ APPLICANT, PAN OF SOLE/ FIRST BIDDER/ APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT

Bidders/ Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/ Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/ Applicant has Bid for 3 (three) options in the Bid cum Application Form and such Bidder/ Applicant is changing only one of the options in the Revision Form, the Bidder/ Applicant must still fill the details of the other 2 (two) options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers RTAs, DPs and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/ Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/ Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/ Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker/RTA/DP or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate /Registered Broker/RTAs/DPs to whom the original Bid was submitted.
- (d) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment)

exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (e) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/ Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER/ APPLICANT, PAN OF SOLE/ FIRST BIDDER/ APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- (a) The Company may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Company in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by a Company on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Company, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only 1 (one) Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/ Applicant and may be rejected.

- ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than 1 (one) scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) A Company can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From 1 (one) ASBA Account, a maximum of 5 (five) Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 5 (five) Working Days of the Issue Closing Date.

4.3.5.2 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms,
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

- (c) (The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/ APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid cum Application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
ASBA Application	<p>(i) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres;</p> <p>(ii) To the Designated branches of the SCSBs where the ASBA Account is maintained:</p> <ol style="list-style-type: none"> 1. Depository Participant; 2. Stock Brokers registered with a recognised stock exchange; 3. Registrar to the Issue and share transfer agent.

- (a) Bidders/ Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection bank. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/ Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker RTAs or DPs or the SCSB through which such Bidder/ Applicant had placed the original Bid.
- (c) Upon submission of the Bid cum Application Form, the Bidder/ Applicant will be deemed to have authorized the Company to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/ Issue Period, Bidders/ Applicants may approach the members of the Syndicate at the Specified Cities, any of the Registered Brokers or the Designated Branches, a stock broker registered with a recognised stock exchange, a depository participant, or the registrar and share transfer agent to register their Bids.
- (b) In case of ASBA Bidders/ Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA

Bidders/ Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/ Applicants may approach the members of the Syndicate, any of the Registered Brokers RTAs or DPs or the Designated Branches a stock broker registered with a recognised stock exchange, the Registrar and share transfer agent to register their Bids.

- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/ Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers RTAs or DPs and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers RTAs or DPs and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/ Issue Closing Date, the Syndicate, the Registered Broker RTAs or DPs and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers RTAs or DPs and the SCSBs are given upto 1 (one) day after the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/ Applicants through the Syndicate, Registered Brokers RTAs or DPs and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate member(s) or the Registered Broker, RTAs or DPs as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/ Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker RTAs or DPs and/ or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - (i) the Bids accepted by the members of the Syndicate, the Registered Broker RTAs or DPs and the SCSBs,
 - (ii) the Bids uploaded by the members of the Syndicate, the Registered Broker RTAs or DPs and the SCSBs,

- (iii) the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker RTAs or DPs and the SCSBs, or
- (iv) With respect to Bids by ASBA Bidders/ Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLM and their affiliate syndicate member(s), as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate syndicate member(s) (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/ Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLM, (ii) Registered Brokers, or (iii) SCSBs, or (iv) RTAs or (v) DPs or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/ Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/ Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/ Applications by OCBs;
- (c) In case of partnership firms, Bid/ Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/ Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/ Application Form;
- (e) Bids/ Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/ Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/ Application Form;
- (h) PAN not mentioned in the Bid cum Application Form/ Application Form except for Bids/ Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/ Applications for lower number of Equity Shares than the minimum specified for that category of investors;

- (k) Bids/ Applications at a price less than the Floor Price & Bids/ Applications at a price more than the Cap Price;
- (l) Bids/ Applications at Cut-off Price by NIIs and QIBs;
- (m) The amounts mentioned in the Bid cum Application Form/ Application Form does not tally with the amount payable for the value of the Equity Shares Bid/ Applied for;
- (n) Bids/ Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) Submission of more than 5 (five) Bid cum Application Forms/ Application Form as per ASBA Account;
- (p) Bids/ Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (q) Multiple Bids/ Applications as defined in this GID and the RHP/ Prospectus;
- (r) Bid cum Application Forms/ Application Forms are not delivered by the Bidders/ Applicants within the time prescribed as per the Bid cum Application Forms/ Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (s) Inadequate funds in the bank account to block the Bid/ Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/ Application Amount in the bank account;
- (t) Where no confirmation is received from SCSB for blocking of funds;
- (u) Bids/ Applications by Bidders (other than Anchor Investors) not submitted through ASBA process or accompanied with cheque(s) or demand draft(s);
- (v) Bids/Applications submitted to the BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, or to the Registrar to the Issue;
- (w) Bids/ Applications not uploaded on the terminals of the Stock Exchanges;
- (x) Bids/ Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/ Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/ Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/ Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail Portion is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Portion is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Company, Bidders/ Applicants may refer to the RHP.

Illustration of the Book Building and Price Discovery Process.

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

also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of 5 (five) Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Company at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Company is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.0 in the above example. The Company, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.0. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) Alternate Method of Book Building

In case of FPOs, companies may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“**Alternate Book Building Process**”).

The company may specify the Floor Price in the RHP or advertise the Floor Price at least 1 (one) Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the company may place a cap either in terms of number of specified securities or percentage of issued capital of the Company that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/ or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate member(s)/ SCSB and/ or Registered Broker or RTAs or DPs.

Applicants may submit an Application Form either in physical form to the Syndicate member(s) or Registered Brokers or RTAs or DPs or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least 1 (one) day prior to the Bid/ Issue Opening Date.

In a fixed price Issue, allocation in the net Issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/ Applicants may refer to the relevant chapter of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/ Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to RHP/ Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The company is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis upto a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Portion (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for upto 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set

out at paragraph 7.4(b) below;

- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for upto 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the company subject to compliance with the following requirements:
- (i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - (ii) Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - (iii) Allocation to the Anchor Investors shall be on a discretionary basis, and subject to:
 - where allocation in the Anchor Investor Portion is upto ₹ 10 crores, maximum of 2 (two) Anchor Investors;
 - where the allocation under the Anchor Investor Portion is more than ₹ 10 crores but upto ₹ 250 crores, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 5 crores per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than ₹ 250 crores: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 250 crores; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 250 crores million or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 5 crores per Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the company in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) In the event that the Issue Price is higher than the Anchor Investor Issue Price: Anchor Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors
- (d) In the event the Issue Price is lower than the Anchor Investor Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Company may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on

a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Company;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Company shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/ Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/ Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
1. Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/ Applicants Depository Account will be completed within 6 (six) Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Company may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 (six) Working Days of the Bid/

Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 (six) Working Days of the Bid/ Issue Closing Date.

8.2 GROUND FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

A Company makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/ Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/ Prospectus with which the Basis of Allotment may be finalised.

If the Company fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Company may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to 1 (one) year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 300,000 , or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Company may forthwith repay, without interest, all moneys received from the Bidders/ Applicants in pursuance of the RHP/ Prospectus.

If such money is not repaid within the prescribed time after the Company becomes liable to repay it, then the Company and every director of the Company who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/ Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Company may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING – Not applicable

In case an Company not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/ Applications:** Within 6 (six) Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/ Application and also for any excess amount blocked on Bidding/ Application.
- (b) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder/ Applicant on account of conversion of foreign currency.
- (c) In case of Anchor Investors: Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants (Anchor Investors)

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS** - Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centres specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit** - Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS** - Bidders/Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Anchor Investors should note that on the basis of PAN of the applicant, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders/Applicants account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Bidders/Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders/Applicants at their sole risk and neither the BRLM or the Registrar to the Issue or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (e) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of

the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/ Applicants

In case of ASBA Bidders/ Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants.
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations.
Anchor Investor Portion	Upto 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue.
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA.
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account, in respect of Anchor Investors, may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer.
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue.
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application.
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date.
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation.

	Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date.
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs 1 (one) working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount.
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form.
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant.
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made.
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM.
Business Day	Monday to Friday (except public holidays).
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price.
DP	Depository Participant.
DP ID	Depository Participant's Identification Number.
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited.
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details.
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on

	http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) for Anchor Investors from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Issue.
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer.
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band.
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus.
Equity Shares	Equity shares of the Issuer.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue the Book Running Lead Manager, the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (Anchor Investor) on the terms and conditions thereof.
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue.
FCNR Account	Foreign Currency Non-Resident Account.
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form.
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made.
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto.
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering.
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000.
IPO	Initial public offering.
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable.
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable.
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s).

Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form.
NECS	National Electronic Clearing Service.
NEFT	National Electronic Fund Transfer.
NRE Account	Non-Resident External Account.
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
NRO Account	Non-Resident Ordinary Account.
Net Issue	The Issue less reservation portion.
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/ Prospectus through an offer for sale by the Selling Shareholder.
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961.
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and 1 (one) working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation.
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, 1956 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information.
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date.
Qualified Foreign Investors or	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task

QFIs	<p>Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies</p>
QIB Portion	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis.
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009.
RTGS	Real Time Gross Settlement.
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least 3 (three) days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus.
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (refunds to Anchor Investors), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer.
Refunds through electronic transfer of funds	Refunds through ASBA, as applicable.
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate.
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form.
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations.
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s).
RoC	The Registrar of Companies.
RTAs	Registrars to an Issue and Share Transfer Agents.
RTAs/DPs Bidding Centres	RTAs/DPs bidding centres, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI. The details of such RTAs/DPs bidding centres, along with their names and contact details are available on the websites of the Stock Exchanges.

SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers.
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed.
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member.
Syndicate Agreement	The agreement to be entered into among the Issuer and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants). directly submitted to SCSBs).
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus.
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s).
Underwriting Agreement	The agreement amongst the Issuer and the Underwriters to be entered into on or after the Pricing Date.
Working Day	All days other than 2 nd & 4 th Saturday of the month a Sunday or a public holiday on which commercial banks in Mumbai are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

**SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF
ASSOCIATION**
MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extra Ordinary General Meeting held on, May 23rd, 2017 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.

Table 'F' Not to Apply

1. (a) The regulations contained in the Table marked "F" in Schedule I of the Companies Act, 2013 (hereinafter called the Act or the said Act) shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act or any amendment or notification thereto.

Company To Be Governed By These Articles

- (b) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by Section 14 of the Act, be such as are contained in these Articles.

INTERPRETATION

Headings Not Authoritative

2. (A)(a) 141. The headings used in these Articles shall not affect the construction hereof.

Interpretation Clause

- (b) In the Interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context :

"The Company" or "This Company"

- (c) "The Company" or "This Company" means "ASTRON PAPER & BOARD MILLS LIMITED", Public Company incorporated under the Companies Act, 1956.

"The Act" or "The said Act"

- (d) "The Act" or "The said Act" means the Companies Act, 2013 (Act 18 of 2013) the rules, notifications, clarifications, circulars and orders issued thereunder and subsequent amendments thereto or any statutory modifications or re-enactments thereto or any statutory modifications or re-enactments thereof for the time being in force.

"Affiliate"

- (e) "Affiliate" means, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, or any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person;

"Annual Business Plan"

- (f) "Annual Business Plan" means the region-wise annual revenue plan and the annual project plan comprising, *inter alia*, the projected growth plan and the detailed expenditure and investment plan for the relevant Financial Year;

"Applicable Law"

- (g) "Applicable Law" means all applicable laws, bye-laws, statutes, rules, regulations, orders, ordinances, notifications, protocols, treaties, codes, guidelines, policies, notices, directions, writs, orders, decisions, injunctions, judgments, awards, decrees or other requirements or official directive of any court of competent authority or of any competent Governmental

Authority, including any International Trade Governmental Authority, the Securities and Exchange Board of India, or Person acting under the authority of any competent Governmental Authority of the Republic of India, including any International Trade Governmental Authority, rules of any stock exchanges and Indian GAAP or any other generally accepted accounting principles.

“Alter” And “Alteration”

- (h) “Alter” and “Alteration” shall include the making of additions and omissions;

“Annual General Meeting”

- (i) “Annual General Meeting” means a general meeting of the members held in accordance with the provisions of Section 96 of the Act and adjourned holding thereof;

“Articles”

- (j) “Articles” means the Articles of Association of the Company as originally framed or as altered from time to time;

“Auditors”

- (k) “Auditors” means and includes those persons appointed as such for the time being by the Company;

“Beneficial Owner”

- (l) “Beneficial Owner” shall mean the beneficial owner as defined in Clause (a) of sub-section (l) of Section 2 of the Depositories Act, 1996;

“Board” or “Board of Directors”

- (m) “Board” or “Board of Directors” mean a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board either in person or through electronic mode, or the requisite number of Directors assembled at a Board either in person or through electronic mode, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles, or the Directors of the Company collectively;

“Body Corporate” or “Corporation”

- (n) “Body Corporate” or “Corporation” includes a Company incorporated outside India but does not include:
- (i) a co-operative society registered under any law relating to co-operative societies; and
 - (ii) any other body corporate (not being a Company as defined in the Act) which the Central Government may, by notification in the Official Gazette, specify in this behalf;

“Capital”

- (o) “Capital” means the Share Capital for the time being raised or authorized to be raised, for the purpose of the Company;

“Charter Documents”

- (p) “Charter Documents” means the Memorandum of Association and the Articles of Association of the Company;

“Company”

- (q) “Company” means “ASTRON PAPER & BOARD MILL LIMITED” a public company incorporated under the Companies Act, 1956;

“Controlling”, “Controlled by” or “Control”

- (r) “Controlling”, “Controlled by” or “Control” with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by agreement or otherwise, or the power to elect more than one-half of the directors, partners or other

individuals exercising similar authority with respect to such Person;

“Corporation”

- (s) “Corporation” shall include a Company whether incorporated and formed under the Act or not;

“Debentures”

- (t) “Debentures” include debenture-stock, bonds and other instruments of the Company evidencing debt, whether constituting a charge on the assets of the Company or not;

“Depository”

- (u) “Depository” shall mean a depository as defined in Clause (e) of the Sub-section (1) of Section of the Depository Act, 1996;

“Directors”

- (v) “Directors” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a meeting of the Board either in person or through electronic mode or acting by Circular Resolution under the Articles;

“Dividend”

- (w) “Dividend” includes any interim dividend;

“Document”

- (x) “Document” includes summons, notice, requisition order, declaration form and registers, whether issued, sent or kept in pursuance of this or any other law for the time being in force or otherwise, maintained on paper or in electronic form;

“Equity Shares”

- (y) “Equity Shares” mean the equity shares of the Company, having a face value of Rs. 10 (Rupees Ten) each or such other value as may altered;

“Extraordinary General Meeting”

- (z) “Extraordinary General Meeting” means general meeting of the members other than Annual General Meeting duly called and constituted and any adjourned holding thereof;

“Financial Year”

- (aa) “Financial Year” shall mean a period of Twelve Months commencing from 1st April of any Calendar Year and ending on 31st March of the Next Calendar Year;

“Financial Statements”

- (ab) “Financial Statements” shall mean, the financial statements of the Company prepared in accordance with Applicable Law and shall include without limitation, the balance sheet as at the end of the financial year and profit and loss account for the financial year, the cash flow statement for the financial year, the notes to the financial statements, the auditor’s report and all disclosures as prescribed in Schedule II of the Act, a statement of changes in equity; and any explanatory note annexed to, or forming part of any of these documents;

“GDRs”

- (ac) “GDRs” means global depository receipts issued by the Company by whatever name called created by foreign depository outside India and authorized by the Company making an issue of such GDRs;

“Gender”

- (ad) Words importing the masculine gender also include, where the context requires or admits, the feminine gender;

“INR or Rs”

- (ae) “INR or Rs” means the Indian Rupees;

“Independent Director”

- (af) “Independent Director” shall mean an independent director as defined in Section 2 (47) of the Companies Act 2013 read with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (ag) “**Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Key Managerial Personnel”

- (ah) “Key Managerial Personnel” means the Chief Executive Officer or the Managing Director; the Company Secretary; Whole-Time director; Chief Financial Officer; and such other officer as may be notified from time to time in the Rules.

“Managing Director”

- (ai) “Managing Director” means a Director who by virtue of 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;

“Meeting” or “General Meeting”

- (aj) “Meeting” or “General Meeting” means a meeting of Members;

“Member”

- (ak) “Member” means (i) the subscriber to the memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members; (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company; (iii) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository;

“Memorandum”

- (al) “Memorandum” means the Memorandum of Association of the Company as originally framed or as altered from time to time;

“Month”

- (am) “Month” means a calendar month;

“National Holiday”

- (an) “National Holiday” means and includes a day declared as national holiday by the Central Government;

“Office”

- (ao) “Office” means the Registered Office for the time being of the Company;

“Ordinary Resolutions”

- (ap) A resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands or on a poll, as the case may be) in favor of the resolution (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting;

“Paid-Up Share Capital “or “Share Capital Paid-Up”

- (aq) “Paid-Up Share Capital “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;

“Person”

- (ar) “Person” includes any individual, partnership, corporation, company, Governmental Authority, unincorporated organization, association, trust or other entity (whether or not having a separate legal entity);

“Plural Number”

- (as) Words importing the plural number also include, where the context requires or admits, the singular number, and vice-versa;

“Proxy”

- (at) “Proxy” include attorney duly constituted under the power of attorney;

“Register of Members”

- (au) “Register of Members” means the Register of Members to be kept, pursuant to the Act maintained on paper or in electronic form;

“Registrar”

- (av) “Registrar” means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated;

“Regulations” or “The Company’s Regulations”

- (aw) “Regulations” or the Company’s Regulations means the regulations for the time being for the management of the Company;

“Seal”

- (ax) “Seal” means the Common Seal of the Company for the time being or any other method of Authentication of documents, as specified under the Act or amendment thereto.;

- (ay) **“SEBI”**

“SEBI” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

“Secretary”

- (az) “Secretary” means a Company Secretary within the meaning of Section 2(1) (c) of the Companies Secretaries Act, 1980, and includes any individual possessing the prescribed qualifications and appointed as Secretary of the Company to perform the duties which may be performed by the Secretary under the “Act” and only other ministerial or administrative duties;

“Section” or “Sections”

- (ba) “Section” or “Sections” means a Section of the Act for the time being in force;

“Share”

“Share” means share in the Share Capital of the Company, and includes stock except where a distinction between stock and share is expressed or implied;

“Special Resolution”

- (bb) A Resolution shall be a Special Resolution when –
(i) the intention to propose the resolution as a special resolution has been duly specific in

the notice calling the general meeting or other intimation given to the members of the resolution;

- (ii) the notice required under the Act has been duly given of the general meeting; and
- (iii) the vote cast in favor of the resolution (whether on a show of hands, or no a poll, as the case may be) by members who, being entitled so to do vote in person, or where proxies are allowed by proxy, are not less than three times the numbers of the votes, if any, cast against the resolution by members so entitled and voting.

“These Presents”

- (bc) “These Presents” means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time;

“Variation” and “Vary”

- (bd) “Variation” shall include abrogation and “Vary” shall include abrogate;

“Written” and “In Writing”

- (be) “Written” and “In Writing” include printing, lithography and any other mode or modes of representing or reproducing words in a visible form or partly one and partly the other;

“Year”

- (bf) “Year” means a calendar year;

“Expression in the Act to bear the same meaning in Articles”

- (B) Save as aforesaid, any words or expressions defined in the Act shall, where the subject or context bids, bear the same meaning in these Articles.

Copies Of Memorandum and Articles to be Furnished by the Company

- 3. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the applicable Rules, a copy of each of the following documents, as in force for the time being:

- (i) The Memorandum;
- (ii) The Articles, if any;
- (iii) Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

The fees can be waived off by the Company.

Company’s Funds may not be Applied in Purchase of or Lent for Shares of the Company

- 4. (a) The Company shall not have the power to buy its own shares, except as provided under Section 66 or Section 241 of the Companies Act, 2013 as may be applicable.
- (b) The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit:

- (i) the provision by the Company, in accordance with any scheme approved by the Company through special resolution for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of, or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or
- (ii) the making by the Company of loans, within the limit laid down in Sub-Section (3)(c) of Section 67 of the Act, to persons (other than Directors or Key Managerial Personnel)

bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.

- (c) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.
- (d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under this Act or under any previous Company Law.

5. Notwithstanding anything contained in the Articles, but subject to the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Act as amended from time to time and subject to such regulations, conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own securities, whether or not there is any consequent reduction of capital. If and to the extent permitted by law, the Company shall have the power to re-issue the securities so bought back.

Share Capital and Variation of Rights

6. (a) The Authorised 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 of the Company with power to consolidate, increase, reduce or sub - divide the capital for the time being and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative, convertible, preference, guaranteed, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, alter, modify, amalgamate or abrogate any such rights, privileges or conditions in such a manner as may for the time being be provided for by the Articles of Association of the Company or by the law in force for the time being.
- (b) The Company may in General Meeting, from time to time, by Ordinary Resolution increase its capital by creation of new shares, which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 62 and 64 of the Act.
- (c) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid-up on such equity shares respectively at the commencement of the winding up.
- (d) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, 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.
- (e) Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Increase of Capital

7. The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.

On what Conditions the New Shares may be Issued

- (a). Subject to the provisions of Section 43 to 47, 55 and 62 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given then as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said Sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of Companies Act with special right of voting and subject to provisions of Section 55 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

Further Issue of Capital

- (b) Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of the increased share capital.
- (i) such further shares shall be offered to the person who at the date of offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date.
 - (ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person and the notice shall contain a statement of this right.
 - (iv) After the expiry of the time specified in notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company and members.
 - (v) Notwithstanding anything contained in the preceding sub-clause, the Company may:
 - (a) by a special resolution offer further shares to any person or persons, and such person or persons may or may not include the person/s who at the date of the offer, are the holders of the equity shares of the Company or to employees of the Company under the Scheme of employees stock option; or
 - (b) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to section 62(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

Directors may Allot Shares otherwise than for cash

- (c) Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or, machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.

Same as Original Capital

- (d) Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender voting and otherwise.

Power to Issue Redeemable Preference Shares

8. (a) Subject to the provisions of Section 55 of the Act, the Company may issue preference shares

which are or at the option of the Company are to be liable to be redeemed:

Provided that :

- (i) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption;
 - (ii) no such shares shall be redeemed unless they are fully paid;
 - (iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the company or out of the Company's securities premium account before the shares are redeemed;
 - (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.
- (b) Subject to the provisions of Section 55 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.
- (c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorized share capital.
- (d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly, the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 403 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares. ?

- (e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

9. **Provision in Case of Redemption of Preference Shares**

The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding by payment of the nominal amount thereof with dividend calculated up to the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in case of redemption of part of the preference shares the following provisions shall take effect :

- (a) The shares to be redeemed shall be determined by drawing of lots which the company shall cause to be made at its registered office or at such other place as the Directors may decide, in the presence of one Director at least; and
- (b) Forthwith after every such drawing, the Company shall notify to the shareholder whose shares have been drawn for redemption its intention to redeem such shares by payment at the

registered office of the Company or at such other place as the directors may decide at the time and on the date to be named against surrender of the Certificates in respect of the Shares to be redeemed and at the time and date so notified each such shareholder shall be bound to surrender and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.

- (c) Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects *pari passu* with the preference shares then outstanding. PROVIDED in the event of its creating and/or issuing further preference shares ranking *pari passu* with the Preference Shares then outstanding the Company would do so only with the consent of the holders of not less than three-fourths of the preference shares then outstanding.
- (d) The Redeemable Preference Shares shall not confer upon the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47 of the Act.
- (e) The rights, privileges and conditions for the time being attached to the Redeemable Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

Cumulative Convertible Preference Shares

- 10. Subject to the provisions of the Act and the guidelines issued by the Central Government from time to time under the Provisions of the Act, the Company may issue Cumulative Preference Shares (CCP) in such manner as the Board of Directors of the Company may decide and specifically provide for :

- (i) the Quantum of issue;
- (ii) the terms of the issue with particular reference to the conversion of CCP into the equity shares of the company;
- (iii) the rate of cumulative preferential dividend payable on CCP, the voting rights to be attached to CCP and any other terms and conditions which may be attached to the issue of CCP as permissible in law

Reduction of Capital

- 11. The Company may from time to time by special resolution, subject to confirmation by the Court or Tribunal as applicable and subject to the provision of Sections 52, 55 and 66 of the Act at the relevant time reduce its share capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorized by law in particular without prejudice to the generality of the power may be:

- (a) extinguishing or reducing the liability on any of its shares in respect of shares capital not paid up;
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Division, Sub-division, consolidation, Conversion and Cancellation of Shares

12. Subject to the provisions of Section 61 of the Act, the Company in general meeting may alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its authorized share capital by such amount as it think expeditiously;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares. Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall have effect unless it is approved by the Court or Tribunal as applicable
- (c) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;
- (d) convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;
- (e) cancel, shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of Rights

13. If at any time the share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the share of that class) may, subject to the provisions of Section Sections 106 and 107 of the Companies Act, 1956 or Section 48 of the Act (as applicable) and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourth in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The Provisions of these Articles relating to general meeting shall *mutates mutandis* apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 101 is not present, those persons who are present shall be the quorum.

14. **CONVERSION OF SHARES INTO STOCK**

The Board may, pursuant to Section 61 of Act, with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, power nevertheless at their discretion to waive such rules in any particular case. Notice of such conversion of shares into stock or reconversion of stock into shares shall be filed with the Registrar of Companies as provided in the said Act.

15. **RIGHTS OF STOCK-HOLDERS**

The stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted but no such

privileges or advantages, except the participation in profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of, consolidated stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special holders of the share and authenticated by such evidence (if any) as the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares and the words “share” and “shareholder” in these presents shall include “stock” and “stock-holder”.

SHARES AND CERTIFICATES

Issue of Further Shares not to Affect Right of Existing Shareholders

16. The right or privileges conferred upon the holders of the shares of any class issued with preference 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 or modified or affected by the creation or issue of further shares ranking *pari passu* therewith.

Provisions of Section 43, 45, 46 and 47 of the Act to apply

17. The provisions of Section 43, 45, 46 and 47 of the Act in so far as the same may, be applicable shall be observed by the Company.

Register of Members and Debenture holders

18. (a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Section 88 of the Act and Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company may also keep foreign Register of Members and Debenture holders in accordance with Section 88 of the Act.
- (b) The Company shall also comply with the provisions of Sections 92 of the Act as to filing of Annual Returns.
- (c) The Company shall duly comply with the provisions of Section 94 of the Act with regards to keeping of the Registers, indexes, copies of Annual Returns and giving inspections thereof and furnishing copies thereof.

Restriction on Allotment

19. The Board shall observe the restriction as to allotment of shares to the public contained in Section 39 of the Act shall cause to be made the return as to allotment provided for in Section 39 of the Act.

Shares to be Numbered Progressively and no share to be subdivided

20. The shares in the capital shall be numbered progressively accordingly to the several denominations and except in the manner herein before mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Dematerialised Shares

21. Notwithstanding anything contained herein, in the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such shares or other marketable securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Further, the provisions relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised.

Shares at the Disposal of the Directors

22. Subject to the provisions of Section 62 of the Act and these Articles the shares in the Capital of the Company for the time being 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 or (subject to compliance with the

provisions of Section 53 of the Act) at a discount and at such time as they may from time think fit and with the sanction of the Company in General Meeting to give to any person the option to all for any shares either at par or at a premium during such time and for such consideration as the Directors may think, fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business, and any shares which may be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

Every Shares Transferable etc.

23. (i) The shares or other interest of any member in the Company shall be movable property, transferable in the manner provided by these Articles.
- (ii) Each share in the Company shall be distinguished by its appropriate number.
- (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.

Application of Premium Received on Issue of Shares

24. (a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of value of the premium on these shares shall be transferred to an account to be called "the securities premium account", and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.
- (b) The securities premium account may, notwithstanding, anything in clause (a) above, be applied by the Company:
 - (i) In paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
 - (ii) In writing off the preliminary expenses of the Company;
 - (iii) In writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
 - (iv) In providing for the premium payable on the redemption of any redeemable preference shares or any debentures of the Company;
 - (v) For the purchase of its own shares or other securities as provided under Section 68 of the Act.

Sale of Fractional Shares

25. (i) If and wherever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst to members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see the applications 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.
- (ii) The Board shall have power to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions.

Acceptance of Shares

26. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose names is on the Register of Members shall for the purpose of these Articles be a member. The Directors shall comply with the provisions of Section 39 and 40 of the Act in so far as they are applicable.

Deposits and Calls etc. to be a Debt Payable immediately

27. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertion of the name of the holder of such shares, become a debt, due to and recoverable by the Company from the Allottee thereof, and shall be paid by him accordingly.

Company not Bound to Recognize any Interest in Shares other than of Registered Holder

28. Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize any benami, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provision of Section 88 of the Act shall apply.

Declarations of Person not Holding Interest in Shares

29. When any declaration is filed with the Company under the provisions of Section 89 of the Act or any amendments thereof, by any holder of shares who does not hold beneficial interest in such shares specifying the particulars of the person holding beneficial interest in such shares or by a person who holds beneficial interest in any shares of the Company but is not the registered holder thereof, the Company shall make a note of such declaration in its register of members and file, within 30 days from the date of receipt of the declaration by it, a return with the registrar with regard to such declaration.

Issue of Certificates of Shares to be Governed by Section 46 of the Act etc.

30. (a) The issue of certificates of shares or of duplicate or renewal of certificates of shares and/or advices/certificates issued upon sub-division, split, consolidation and exchanges shall be governed by the provisions of Section 46 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or the as well as the Listing Regulations, as may be applicable or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed from the time being.
- (b) The Certificate of title of shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorized persons as may be prescribed by Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.
- (c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 46 of the Act and the Listing Regulations.

Limitation of Time of Issue of Certificate

31. (a) Every member shall be entitled, without payment, to one Certificate for all the shares of each class or denomination registered in his name, or after payment of such fees as the Board may approve, to several certificates, each for one or more of such shares and the Company shall complete and deliver such Certificates within the time provided by Section 56 of the Act or the Listing Regulations, as may be applicable, unless the conditions of issue thereof otherwise provide. Every Certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one Certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
- (b) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities

Contracts (Regulation) Act, 1956 as may be applicable.

Issue of new Certificates in Place of one defaced Lost or Destroyed

32. If any certificate be worn out, defaced, mutilated or torn if there be no, further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu, thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on; execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under this Article shall be issued without payment of fees. Out of pocket expenses incurred by the Company in investing the evidence as to the loss or destruction shall be paid to the Company if demanded by the directors.

Provided that notwithstanding what is stated above the directors shall comply with such Rules or Regulation or requirements of any stock Exchange including the Listing Regulations or the Rules made under the Act or the Rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, on Rules applicable in this behalf.

The provisions of the Article under this heading shall *mutatis mutandis* apply to debentures of the Company.

33. **Unclaimed Securities**

The Company shall comply with the provisions of the Listing Regulations while dealing with securities that remain unclaimed and the corporate benefits attached thereto. The Company shall maintain appropriate unclaimed suspense accounts and demat suspense accounts, as may be required to hold unclaimed securities on behalf of allottees and issue such reminders to the allottees as may be required under the Listing Regulations. However, shares in respect of which unpaid or unclaimed dividend has been transferred to the account of the Company in terms of Section 124(5) of the Act shall also be transferred to the Company as per the provisions of Section 124(6) of the Act.

UNDERWRITING COMMISSION AND BROKERAGE

Power to pay Certain Commission and Prohibition of Payment of All other Commission, Discounts etc.

34. (A). The company may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, subject to the following conditions, namely: -
- (a) the payment of such commission shall be authorized by the Board;
 - (b) the commission may be paid out of proceeds of the issue or the profit of the company or both;
 - (c) the rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued or a rate authorised by the articles, whichever is less, and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued, or as specified in the company's articles, whichever is less;
 - (d) the prospectus of the company shall disclose—
 - (i) the name of the underwriters;
 - (ii) the rate and amount of the commission payable to the underwriter; and
 - (iii) the number of securities which is to be underwritten or subscribed by the underwriter absolutely or conditionally. Lieu of Prospectus and filed before the payment of the commission with the Registrar and where a circular or notice not being a prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;

- (e) there shall not be paid commission to any underwriter on securities which are not offered to the public for subscription;
- (B) Save as aforesaid and save as provided in Section 53 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :
 - (i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;
 - (ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid by as the nominal purchase money or contract price, or otherwise.
- (C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.
- (D) The commission may be paid or satisfied (subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stocks of the Company.

CALLS

Directors May Make Calls

- 35. The Directors may from time to time and subject to Section 49 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debenture-holders in respect of all moneys unpaid on the shares/debenture held by them respectively and each member/debenture holder shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments as may be decided by the Board. A call may be postponed revoked as the Board may determine.

Calls To date From Resolution

- 36. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by members/debenture-holders on a subsequent date to be specified by the Directors.

Notice of Call

- 37. 15 (fifteen) days' notice in writing shall be given by the Company of every call made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members/debenture-holders to revoke the same.

Directors may Extend Time

- 38. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members/debenture-holders who on account of residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member/debenture holder shall be entitled to such extension, save as a matter of grace and favor.

Sums Deemed to be Calls

- 39. Any sum, which by the terms of issue of a share/debenture becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share/debenture or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-

payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

Installments on Shares to be Duty Paid

40. If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time, shall be the registered holder of the share or his legal representative.

Calls on Shares of the Same Class to be made on Uniform Basis

41. Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Liability of Joint Holders of Shares

42. The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.

When Interest on Call or Installment Payable

43. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest at ten per cent per annum or at such lower rate as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Partial Payment not to Preclude forfeiture

44. Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of any such payment preclude the forfeiture of such shares as herein provided.

Proof on Trial of Suit for Money due on Shares

45. On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of directors was present at the Board at which any call was made, nor that the meeting of which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in Anticipation of Calls may Carry Interest

46. (a) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him, beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may

pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, to the member paying such sum in advance and the directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends . The Directors may at any time repay the amount so advanced.

- (b) The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provision of these Articles shall apply *mutatis mutandis* to the calls on debenture of the Company.

LIEN

Company's Lien on Shares/Debentures

- 47. The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or debenture holder (whether held singly or jointly with others) in respect of all moneys called or payable at a fixed time in respect of such shares whether the time for payment thereof shall have actually arrived or not and shall extend to all dividends, interest right and bonuses from time to time declared in respect of such shares and/or debentures. The registration of transfer of shares and/or debentures shall not operate as a waiver of the Company's lien, if any, on such shares and/or debentures, unless otherwise agreed by the Board. The Directors may at any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article.

As to Enforcing Lien by sale

- 48. For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debenture and may authorize one of their members or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of Proceeds of Sale

- 49.
 - (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.
 - (b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute or Applicable Law required) be bound to recognize equitable or other claim to, or equitable, contingent, future or partial interest in, such shares (including the fractional part of a shares) or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

FORFEITURE

If Call or Installment not Paid Notice must be given

- 50.
 - (a) If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgement or decree in

respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

- (b) The notice shall name a day not being less than fourteen days from the date of the services of the notice and a place or places, on and which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

In Default of Payment Shares or Debentures to be Forfeited

- 51. If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company. In respect of the payment of any such money, shall preclude, the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.

Entry of Forfeiture in Register of Member/Debenture holders

- 52. When any shares / debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members of debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Forfeited Share/Debenture to be Property of Company and may be sold

- 53. Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to Annul Forfeiture

- 54. The Directors may, at any time, before any shares or debentures so forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.

- 55. **Shareholders or Debenture holders Still Liable to pay Money Owed, at Time of Forfeiture and Interest.**

Any member or debenture holder whose shares of debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, Interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so. The liability of the member or debenture holder shall cease if and when the Company receives payment in full of all such monies in respect of the shares or debentures.

Effect of Forfeiture

- 56. The forfeiture of a share or a debenture 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 or debenture and all other rights incidental to the share or debenture, except only such of these rights as by these Articles are expressly saved.

Declaration of Forfeiture

57. A Declaration in writing under the hand of one Director, the manager or the Secretary, of the company; that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made and that a share or debenture 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 shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

Validity of Sales under Article 49 and 54

58. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers here in above given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debenture holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of member or debenture holders in respect of such shares or debenture the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

Cancellation of Share/Debenture Certificate in Respect of Forfeited Shares/Debentures

59. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the relative shares or debentures surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the directors shall be entitled to issue a duplicate certificate/s in respect of the said share or debentures to the person/s entitled thereto.

Title of Purchaser and Allottee of Forfeited Shares/Debentures

60. The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.

Surrender of Shares or Debenture

61. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of Share or Debenture

62. 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 share.

Form of Transfer

63. The Instrument of transfer shall be in writing and all the provisions of Section 56 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.

Instrument of Transfer to be Executed by Transferor and Transferee

64. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is

entered in the Register of members in respect thereof.

Directors may Refuse to Register Transfer.

65. (a) Subject to the provision of Section 58 of the Act and subject to the provisions of Securities Contract (Regulations) Act, 1956 and the rules and regulations made there under, the Directors may, at their own absolute and uncontrolled discretion, decline by giving reasons to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within 15 days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Moreover, the Directors shall not register a transfer if any statutory prohibition or order prohibits a transfer or when a transferor objects to the transfer. In the event the Company does not effect transfer of securities within the stipulated 15 days or fails to communicate the refusal of the transfer/valid objection to the transfer within 15 days to the transferee, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of delay as specified under the Listing Regulations.
- (b) Nothing in Section 56 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the rights to, any shares or interest of a member in, or debentures of the Company.

Transfer of Share

66. (a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (a) of this Article, the Company shall unless object is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- (b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.
- (c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the Certificate relating to the shares and if no such Certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnify as the Directors may think fit.
- (d) Nothing in clause (c) above shall prejudice any power of the Company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.
- (e) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

Custody of Instrument of Transfer

67. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register; shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine in compliance with the applicable law.

Transfer Books and Register of Members when Closed

68. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Transfer to Minors etc.

69. Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

Title to Share of Deceased Holder

70. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a Succession Certificate or the legal representative of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognize as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or the legal representatives unless they shall first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 67 register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased member, as a member.

71. **Nomination by securities holders**

- (1) Any holder of securities of a company may, at any time, nominate, in Form No. SH.13, any person as his nominee in whom the securities shall vest in the event of his death.
- (2) On the receipt of the nomination form, a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under section 88.
- (3) Where the nomination is made in respect of the securities held by more than one person jointly, all joint holders shall together nominate in Form No.SH.13 any person as nominee.
- (4) The request for nomination should be recorded by the Company within a period of two months from the date of receipt of the duly filled and signed nomination form.
- (5) In the event of death of the holder of securities or where the securities are held by more than one person jointly, in the event of death of all the joint holders, the person nominated as the nominee may upon the production of such evidence as may be required by the Board, elect, either-
 - (a) to register himself as holder of the securities ; or
 - (b) to transfer the securities, as the deceased holder could have done.
- (6) If the person being a nominee, so becoming entitled, elects to be registered as holder of the securities himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased share or debenture holder(s).
- (7) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of securities shall be applicable to any such notice or transfer as aforesaid as if the death of the share or debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

- (8) A person, being a nominee, becoming entitled to any securities by reason of the death of the holder shall be entitled to the same dividends or interests and other advantages to which he would have been entitled to if he were the registered holder of the securities except that he shall not, before being registered as a holder in respect of such securities, be entitled in respect of these securities to exercise any right conferred by the membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the securities, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends or interests, bonuses or other moneys payable in respect of the securities, as the case may be, until the requirements of the notice have been complied with.
- (9) A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation, to the company in Form No. SH.14.
- (10) The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received by the company.
- (11) Where the nominee is a minor, the holder of the securities, making the nomination, may appoint a person in Form No. SH. 14 specified under sub-rule (1), who shall become entitled to the securities of the company, in the event of death of the nominee during his minority.

72.

Dematerialisation of Securities

- i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.
- a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.
- b. Option for Investors: 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

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

- c. Securities in Depository to be in fungible form:-
 - o All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
 - o Nothing contained in Sections 88, 89, 112 & 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.
- d. Rights of Depositories & 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.

- 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.
- 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.

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

Registration of Persons Entitled to Share Otherwise than by Transfer

73. (a) Subject to the provisions of Article 80 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.
- (b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Claimant to be Entitled to Same Advantage

74. The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within ninety days, the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

Persons Entitled may Receive Dividend without being Registered as Member

75. (a) A person entitled to a share by transmission shall, subject to the rights of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.
- (b) This Article shall not prejudice the provisions of Article of 49 and 60.

Refusal to Register Nominee

76. Subject to the provisions of Section 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, The Directors shall have the same right to refuse on legal grounds to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration. However, the Company must ensure that the transmission requests for processed within 7 days and 21 days for dematerialized and physical securities, respectively.

Directors may require Evidence of Transmission

77. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an Indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

No Fees on Transfer or Transmission

78. No fee shall be charged for registration of transfer, probate, succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

The Company not liable for Disregard of a Notice Prohibiting Registration of Transfer

79. The Company shall incur no liability, or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner there or (as shown or appearing in the Register of members) to be prejudice or persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

Not more than Four Persons as Joint Holders

80. The Company shall be entitled to decline to register more than four persons as the holder of any shares.

The provisions of these Articles shall *mutatis mutandis* apply to the transfer or transmission by operation of law of debenture of the Company.

JOINT HOLDERS

Joint Holders

81. Where two or more persons are registered as the holders of any share /debenture, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.
- (i) In the case of a transfer of share/ debenture held by joint holders, the transfer will be

effective only if it is made by all the joint holders.

- (ii) The Joint holder of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share/debenture.
 - (iii) On the death of anyone or more of such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share/debenture, 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 share/debentures held by him jointly with any other person.
 - (iv) Any one of such joint holders may give effectual receipts of any dividends, interest or other moneys payable in respect of such share/debenture.
 - (v) Only the person whose name stands first in the Register of Members/Debenture holders as one of the joint holders of any share/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (A) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.
 - (vi) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members 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 be present at the meeting provided always that joint holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by Attorney or proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.
- (b) Several executors or administrators of a deceased member in whose (i.e. the deceased member's) sole name, any share stands, shall for the purpose of this clause, be deemed joint holders.

Borrowing Powers

82. Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any bodies corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose) or such amount as may be approved by the shareholders from time to time. No debt incurred by the Company in excess of the limit imposed by this Article shall be paid or effectual unless the tenderor proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

Bonds, Debentures etc. to be subject to control of Directors.

83. Any bonds, debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

Sweat Equity Shares

84. The Company can only issue sweat equity shares at Discount as per Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in the Act and Rules framed thereunder.

Debentures with voting rights not to be issued

85. (a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.
- (b) Certain charges mentioned in Section 77 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 77 of the Act.
- (c) The term 'charge' shall include mortgage in these Articles.
- (d) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree or specific performance.

Limitation of Time for Issue of Certificate

86. The Company shall, within six months after the allotment of any of its debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and deliver the Certificate of all the debentures and the Certificate of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture-stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Right to Obtain Copies of and Inspect Trust Deed

87. (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment of Rs. 10/- (Rupees Ten) for each Page of the copy of any Trust Deed.
- (ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

Mortgage of Uncalled Capital

88. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favor such mortgage or security is executed.

Indemnity May be given

89. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming

liable as aforesaid from any loss in respect of such liability.

Registration of Charges

90. (a) The provisions of the Act relating to registration of charges shall be complied with.
- (b) In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.
- (c) Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.
- (d) Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.
- (e) Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

Trust not Recognized

91. No notice of any trust, express or implied or constructive, shall be entered on the register of *Debenture* holders.

GENERAL MEETINGS

Annual General Meeting

92. Subject to the provisions contained in Section 96 and 129 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Time and Place of Annual General Meeting

93. Every annual general meeting shall be called at any time during business hours that is between 9 am to 6 pm, on a day that is not a National Holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated, and the notice calling the meeting shall specify it as the annual general meeting.

Section 101 to 109 of the Act shall apply to Meeting

94. Sections 101 to 109 of the Act with such adaptation and modifications, if any as may be prescribed, shall apply with respect to meeting of any class of members or debenture holders of the Company in like manner as they would with respect to general meetings of the Company.

Powers of Directors to Call Extraordinary General Meeting

95. The Directors may call an extraordinary general meeting of the Company whenever they think fit. 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 (2) 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 of Directors.

Calling of Extra Ordinary General Meeting on requisition

96. (a) The Board of Directors of the Company shall on the requisition of such number of members of

the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extra-ordinary general meeting of the Company.

- (b) The requisition shall set out the matters for the considerations of which the meeting is to be called, shall be signed by requisitionists, and shall be deposited at the registered office of the company.
- (c) The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- (d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.
- (e) Where two or more distinct matters are specified in the requisition the provisions of clause (a) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (f) If the Board does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves within a period of three months from the date of requisition.

Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which Resolution is to be proposed as a special Resolution, be deemed not have duly convened the meeting if they do not give such notice thereof as is required by Section 114 of the Act.

- (g) A meeting, called under Clause (f) above, by the requisitionists or any of them:
 - (i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but
 - (ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.

Explanation : Nothing in Clause (g) (ii) above, shall be deemed to prevent a meeting only commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

- (h) Where two or more persons hold any shares or interest in the Company jointly, requisition, or a notice calling a meeting, signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.
- (i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Length of Notice for Calling Meeting

97. (a) A general Meeting of the Company may be called by giving not less than clear twenty one days' notice in writing or through electronic mode in such manner as may be prescribed by the Central Government.

- (b) A General Meeting of the Company may be called after giving shorter notice than that specified in clause(a) if consent is accorded thereto by not less than ninety-five per cent of the members entitled to vote at such meeting;

Provided that where any members of the Company are entitled to vote only on such resolution or resolution to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Contents and Manner of Service of Notice and Persons on whom it is to be served.

- 98. (a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted there at.

- (b) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorized by Section 20 of the Act;
- (ii) to the persons entitled to a share in consequence of a death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;
- (iii) to the auditor or Auditors for the time being of the Company in any manner authorized by Section 20 of the Act in the case of any member or members of the Company; and
- (iv) to all the Directors of the Company,

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the Registered Office of the Company under Section 20 of the Act, the statement of the material facts referred to in Section 102 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

- (c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the Meeting.

Explanatory Statement to be Annexed to Notice

- 99. (A) For the purpose of this Article:

- (i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to-
 - (a) the consideration of the financial statements and the reports of the Board of Directors and auditors.
 - (b) the declaration of a dividend.
 - (c) the appointment of directors in the place of those retiring, and
 - (d) the appointment of, and the fixing of the remuneration of, the auditors, and
- (ii) in the case of any other meetings, all business shall be deemed to be special.

- (B) Where any items of business to be transacted at the meeting are deemed to be special as

aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern of interest, if any, therein of every promoter, Director, the manager, if any, and of every other Key Managerial Personnel as required under Section 102 of the Act.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects any other Company, the extent of shareholding interest in that other Company of any such person shall be set out in circumstances specified in the provision to sub-section (2) of section 102 of the Act.

- (C) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

Quorum for Meeting

100. (a) In accordance with Section 103, the quorum for a General Meeting of the Company shall be as under:
- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand;
 - (ii) 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;
 - (iii) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand.
- (b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand cancelled.
- (ii) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.
- (c) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

Adjourned Meeting to Transact Business

101. (a) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.
- (b) where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of General Meeting

102. (a) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.
- (b) (i) The Chairman of the Board of Directors shall be entitled to take the Chair at every general meeting, if there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Director present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall be willing to take the Chair, the members present shall choose one of themselves to be the Chairman.
- (ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice-Chairman of the Board or by a Director at the expiration of 15

minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.

Chairman with Consent may adjourn the Meeting

103. The Chairman 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 in the city, town or village where the registered office of the Company is situated.

Business at the Adjourned Meeting

104. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of Adjourned Meeting

105. In case of adjournment of a meeting or of a change of day, time or place of meeting under, the Company shall give not less than three days' notice to the members..

PROXIES

Proxies

106. (a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in case of joint holder, all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

- (b) A proxy shall not be entitled to vote except on a poll.

- (c) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights:

Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

- (d) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and ` is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.

- (e) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment may be effective thereat.

- (f) The instrument appointing a proxy shall :

- (i) be in writing, and

- (ii) Be signed by an appointer or his attorney duly authorized in writing or, if the appointer is a body corporate, by under its seal or be signed by an officer or any attorney duly authorized by it.

- (g) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form or in such other form as the Directors may approve from time to time.

- (h) An instrument appointing a proxy, if in any of the forms set out in to the Companies (Management and Administration) Rules 2014 shall not be questioned on the ground that it fails to comply with any special requirement specified for such instrument by these Articles.
- (i) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.
- (j) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

E-VOTING

- 107. The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.

VOTES OF MEMBERS

- 108. Subject to any rights or restrictions for the time being attached to any class or classes of shares and in the manner prescribed under the Act and the rules made thereunder:
 - (a) on a show of hands, every members present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to the member's share in the paid-up equity share capital of the Company.

109. Voting by Poll

- (a) Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf. The Company shall comply with the procedure as regards voting by poll as may be prescribed under the Act and rules and regulations made thereunder.
- (b) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Restrictions on Exercise of Rights of Members who have not paid Calls etc.

- 110. (a) No members 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 and has exercised any right of lien.
- (b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 89 of the Act.

Restriction on Exercise of Voting Right in Other cases to be void

- 111. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 111.

Equal Rights of Share Holders

- 112. Any shareholder whose name is entered in the Register of members of the Company shall

enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Service of Notice, Reports, Documents and other communications by electronic mode.

113. Notwithstanding anything mentioned in these Articles, the Company may send any communication including notice of general meeting, annual report etc. to any persons by electronic mode as may be permitted under applicable laws. (v)

Voting rights of members of unsound mind and minors

114. 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 poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians or, any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

Votes in respect of Shares of Deceased or Insolvent Members etc.

115. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Custody of Instrument

116. If any such instrument of appointment be confirmed to the object of appointing proxy or substitute for voting at meeting of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; , a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Validity of Votes given by Proxy notwithstanding Death of Members etc.

117. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the votes is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting or adjourned meeting.

Time for Objections for Vote

118. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purposes or such meeting or poll whatsoever.

Chairman of any Meeting to be the Judge of any Vote

119. (a) 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.
(b) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.

Representation of Body Corporate

120. 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 Act authorize 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.

Representation of the President of India or Governors

121. (a) The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.
- (b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.
- (c) The Company shall observe the provisions of Section 112 of the Act, in regards to the Public Trustee.

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PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

Circulation of Members Resolution

124. The Company shall comply with provisions of Section 111 of the Act, relating to circulation of members resolutions.

Special Notice

125. In pursuance of Section 115 of the Act, Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent. of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

Resolution Passed At Adjourned Meeting

126. The provisions of Section 116 of the Act shall apply to resolution 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 resolution 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.

127. **Registration of Resolutions and Agreements**

The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

Minutes of Proceedings of General Meeting and of Board and Other Meetings

128. (a) 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 or passing of resolution by postal ballot, entries thereof in books for that purpose with their pages consecutively numbered.
- (b) 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:
- i. 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.
 - ii. In the case of minutes of proceedings of the general meetings 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 authorized by the Board for the purpose.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes of the meeting.
- (i) the names of the Directors present at the meetings, and
 - (ii) 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.
- (g) Nothing contained in Clause (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 :
- (i) is, or could reasonably be regarded, as defamatory of any person.
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusions of any matter in the minutes on the grounds specified in this clause.

- (h) The minutes of meetings kept in accordance with the provisions of Section 118 of the Act shall be evidence of the proceedings recorded therein.

Presumptions to be Drawn where Minutes duly drawn and Signed.

129. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the

provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors of Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Inspection of Minutes Books of General Meetings.

130. (a) The books containing the minutes of the proceedings of any general meeting of the Company shall:
- (i) be kept at the registered office of the Company, and
 - (ii) be open, during 11:00 am to 1:00 pm to the inspection of any member without charge and by any other person on payment of fee of Rupees 50/- for each inspection, subject to such reasonable restrictions as the Company may, in general meeting impose..
- (b) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- for each page.

Publication of Reports of Proceedings of General Meetings

131. 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.

Report on annual general meeting.

132. The Company shall prepare a report on each annual general meeting including the confirmation to the effect that the meeting was convened, held and conducted as per the provisions of the Act and the rules made thereunder, and shall file the same with the Registrar within thirty days of the conclusion of the annual general meeting

Management of Subsidiaries and Group Companies

133. The Board shall be responsible for compliance with all applicable law, regulations, rules and guidelines as well as the Listing Regulations in relation to the obligation of the Company towards the governance and management of its subsidiaries and group companies.

MANAGERIAL PERSONNEL

Managerial Personnel

134. (a) Subject to the provisions of the Act, a chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board of Directors for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- (b) Any provision of the Act or these Articles requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
- (c) The Company shall duly observe the provisions of Section 196 and Section 203 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

Remuneration of key managerial personnel

135. The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

Board of directors

136. Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen). The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act. The Board shall have the power of appoint the Chairman. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. (v)

Debenture Directors

137. Any Trust Deed for securing debentures of debenture-stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of Debentures or debenture-stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as “**Debenture Director**” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Nominee Director

138. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Public Financial Institution as defined in Section 2(72) of the Act or so long as any such public financial institution continues to hold debentures in the Company by direct subscription or private placement, or so long as any such public financial institution holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by any such public financial institution on behalf of the Company remains outstanding, such public financial institution shall have a right to appoint from time to time, any person or persons 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 place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of such public financial institution such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of such public financial institution such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to such public financial institution or so long as such public financial institution holds Debentures in the Company as a result of direct subscription or private placement or so long as such public financial institution holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee the moneys owing by the Company to such public financial institution is paid off or of furnished by such public financial institution.

The Nominee Director/s appointed under this Article will be entitled to receive all notices of and attend all General Meetings Board Meetings and of the meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. Such public financial institution shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses 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 such public financial institution and the same shall accordingly be paid by the Company directly to such public financial institution. Any expenses that may be incurred by such public financial institution or such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to such public financial institution or as the case may be to such Nominee Directors.

Provided that if any such Nominee Director is an officer of such public financial institution the sitting fees, in relation to such Nominee Director shall also accrue to such public financial institution and the same shall accordingly be paid by the Company directly to such public financial institution.

Special Director

139. (a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorize such Company, Corporation, firm or person (hereinafter in this clause referred to as “Collaborator”) to appoint from time to time, any person or persons as Director or Directors of the Company (hereinafter referred to as “Special Director”) and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangements or any time thereafter.
- (b) The Collaborator may at any time and from time to time remove any such Special Director appointer by it and may at the time of such removal and also in the case of death or resignation of the person so appointed at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.
- (c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Director as the Collaborators eligible to make the appointment.

Limit on Number of Non-Retiring Directors

140. Subject to the provisions of Section 152 of the Act, the number of Directors appointed under Articles 138, 139 and 140 shall not exceed in the aggregate one-third of the total number of Directors, excluding Independent Directors, for the time being in office.

Appointment of Independent Director

141. Subject to the provisions of Section 149 (6) of the Act, Board of Directors shall have power at any time to appoint any person as an Independent Director to the Board. The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, such appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Clause 49 of the listing agreement.

Appointment of Whole-Time Director

142. Subject to the provisions of Section 152 of the Act, Board of Directors shall have power at any time to appoint any person as an Whole-Time Director to the Board

Appointment of Alternate Director

143. The Board may appoint an alternate Director to act for a Director (hereinafter called “the

Original Director”) during his absence for a period of not less than three months from India. An alternative Director so appointed shall not hold office as such for a period longer than that permissible to the Original Director in whose place he had been appointed and shall vacate if and when the Original Director returns to India.

Appointment of Additional Director

144. Subject to the provisions of Section 161 of the Act, Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by the Articles. Any Director so appointed shall hold the office only up to the next annual general meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier and shall then be eligible for reappointment.

Appointment of Women Director

145. The Company shall have such number of Woman Director on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

Appointment of Director to fill the Casual Vacancy.

146. Subject to the provisions 161 of the Act, the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the nominal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Individual Resolution for Director Appointment

147. At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automotive reappointment of retiring director by virtue of these articles and the Act in default of another appointment shall apply.

Qualification of Director

148. A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.

Remuneration of Directors

149. (a) Subject to the provisions of Act, a Managing Director or a director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by the other.
- (b) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either:
- (i) by way of monthly, quarterly or annual payment, or
 - (ii) by way of commission if the Company by a special resolution has authorized such payment
- (c) Every Director shall be paid such amount of remuneration by way of fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time, as may be determined by the Board for each meeting of the Board or Committee thereof attended by him.

- (d) The Board shall recommend the fees/compensation to be paid to non-executive directors including independent directors. Such fees/compensation shall also be approved by the shareholders of the Company in a general meeting. However, such approval will not be required in case of sitting fees paid to non-executive directors which are within the limits prescribed under the Act and for which no Central Government approval is required.

Traveling and Other Expenses

150. The Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider fair compensation for traveling, board and lodging and incidental and/or actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meeting to and from the place at which the meetings to and from the place at which the meetings of the Board Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.

Remuneration for Extra Services

151. If any Director, being willing shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company and in that event the Company may, subject to the provisions of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under Section 197 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

Increase in Remuneration of Directors to require Government Sanction

152. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

Director Not to Act when Number Falls Below Minimum

153. When the number of Directors in Office falls below the minimum fixed above, the Directors, shall not act except in emergencies or for the purposes of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.

Eligibility

154. A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 164 of the Act.

Directors Vacating Office

155. (a) The office of a Director shall be vacated if :
- (i) he is found to be of unsound mind by a Court of competent jurisdiction;
 - (ii) he applied to be adjudicated an insolvent;
 - (iii) he is adjudicated an insolvent;
 - (iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a

period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- (v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;
- (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (vii) he is removed in pursuance of Section 169 of Act;
- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

(b) **Resignation of Directors**

A Director who holds office or other employment in the company shall, when he resigns his office, provide a notice in writing to the company.

Removal of Directors

156. (a) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) remove any director other than ex-officio directors or Special Directors or Debenture Directors or a Nominee Director or a director appointed by the Central Government in pursuance of Section 242 of the Act, before the expiry of his period of office.
- (b) Special notice as provided by Section 115 of the Act shall be required 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.
- (c) On receipt of 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.
- (d) Whether 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 (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it do so:
- (i) In the notice of the resolution given to members of the Company state the fact of representations having been made, and
 - (ii) send a copy of the representation to every member of the Company whom notice of the meeting is sent (whether before or after receipt of the representations by the company), and if a copy of representations, is not sent as aforesaid because they were received too late or because of the company's default, the Director may (without prejudice to his right to be provided orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.
- (e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Section 161 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been under clause (b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.

- (f) if the vacancy is not filled under clause (e) above it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 161 of the Act, and all the provisions of that Section shall apply accordingly;
- (g) Nothing contained in this Article shall be taken :
 - (i) as depriving a person removed there under of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as director; or
 - (ii) as derogating from any power to remove a Director which may exist apart from this Article.
- (h) The Company shall take steps to fill the vacancy caused by the resignation/removal of an independent director by replacing such independent director with a new independent director within three months of the occurrence of such vacancy or at the immediate next meeting of the of the Board, whichever is later or as may otherwise be prescribed by the Listing Regulations.

Directors may Contract with Company

157. Subject to the restrictions imposed by these Articles and by Section 179, 180, 185, 186, 188, 189, 196 and any other provisions of the Act, no Director, Managing Director, or other officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, managing director, Joint Managing Director, Executive Director other officer or employee shall be in any way interested, be avoided, nor shall be Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director, officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with provisions or Section 184 of the Act where that section be applicable.

Disclosure of Directors' Interest

158. (1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern of interest at a meeting of the Board of Directors, in the manner provided in Section 184 of the Act.
- (2) (a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested.
- (b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (3) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or two or more of Directors together holds or hold not more than two percent of the paid up share capital in other company.

Related Party Transactions

159. (1) Except with the consent of the Board of Directors of the Company and of the Shareholders as

applicable, in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, the Company, shall not enter into any contract with a Related Party

- a. for the sale, purchase or supply of any goods, materials or services; or
 - b. selling or otherwise disposing of, or buying, property of any kind;
 - c. leasing of property of any kind;
 - d. availing or rendering of any services;
 - e. appointment of any agent for purchase or sale of goods, materials, services or property;
 - f. such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
 - g. underwriting the subscription of any securities or derivatives thereof, of the Company;
- (2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or affect transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval
- (3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board or the approval of shareholders of the Company as required under the Act, into any contract with the Company; but in such a case the consent of the Board or the approval of shareholders of the Company as required under the Act as the case may be, shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act.
- (4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.
- (5) The requirement of passing the resolution by the members shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (6) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be avoidable at the option of the Board.
- (7) The audit committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable law.

Disclosure to the Members of Appointment of Manager, Whole-Time Directors, Managing Director or Secretaries and Treasures

160. (a) The company shall keep a copy of contract of service with managing or whole-time director in writing. Where the contract is not in writing, a written memorandum setting out terms of contract shall be kept.
- (b) The copies of the contract or the memorandum shall be open to inspection by any member of the company without payment of fee.

Loans to Director etc.

161. Save as otherwise provided in the Act, the Company shall not, directly or indirectly, advance any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person except :-

- (a) give any loan to the managing or whole-time director—
 - (i) as a part of the conditions of service extended by the company to all its employees; or
 - (ii) pursuant to any scheme approved by the members by a special resolution; or
- (b) in the ordinary course of its business provide loans or gives guarantees or securities for the due repayment of any loan and in respect of such Loan an interest is charged at a rate not less than the bank rate declared by the Reserve Bank of India.

Loans to Companies

162. The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the Companies or bodies corporate as provided in Section 185 of the Act.

Interested Director not to Participate or vote in Board's Proceedings

163. No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned, or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote on any contract of indemnity against any loss which it or any one of more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of one company or two or more of them together holds or hold not more than two percent of the paid up share capital of the other company

This Article is subject to the provisions of Section 184 of the Act.

Register of Contracts in which Directors are interested

164. The Company shall keep one or more Registers in which it shall be entered separately particulars of all contracts and arrangements to which Sections 184 and 188 of the Act apply.

ROTATION AND APPOINTMENT OF DIRECTORS

Director may be Director of Companies Promoted by the Company

165. A Director may be or become a Director of any Company or which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197) or Section 188 of the Act may be applicable.

Subject to provisions of Section 152 of the Act, not less than two thirds of the total number of Directors shall :

- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and
- (b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.

Ascertainment of Directors Retiring by Rotation and Filling up Vacancy

166. (a) At every annual general meeting one-third of such directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearer to one-third, shall retire from office.

The Debenture Directors, Corporate Directors, Special Directors, Independent Directors, and Managing Director if any, shall not be subject to retirement under this Article and shall not be

taken into account in determining the number of Directors to retire by rotation. Thus Whole time Directors shall be liable to retire by rotation. In these Articles a “Retiring Director” means a Director retiring by rotation.

- (b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in 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 amongst themselves, be determined by lot. A Retiring Director shall be eligible for re-election.
- (c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
- (d) I. if the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

II. if at the adjourned meeting also, the place of the retiring Director is not filled up and that the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless-
 - (a) At that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (b) The retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;
 - (c) He is not qualified or is disqualified for appointment;
 - (d) A resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act, or
 - (e) The proviso to Section 162 of the Act is applicable to the case.

Consent of Candidates for Directorship to be Filed with the Registrar

167. Every person who is proposed as a candidature for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 152 of the Act in so far as they may be applicable.

Company may Increase or Reduce the Number of Directors or Remove any Director

168. Subject to the provisions of Sections 149, 151 and 152 of the Act, and these Articles the Company may, by special resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.

Appointment of Directors to be Voted individually.

169. (1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- (2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that for the automatic re-appointment of retiring Director in default of another appointment as hereinabove provided shall apply.

- (3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

Notice of Candidature for Office of Directors Except in Certain Cases

170. (1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has, at least fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for office as the case may be along with a deposit of One lakh Rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than twenty-five per cent of total votes cast.
- (2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices on the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.
- (3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- (4) A person, other than-
 - (a) a Director, re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
 - (b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 160 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director

Register of directors and Notification of Change to Registrar

171. (1) The Company shall keep at its Registered Office a Register containing the particulars of its Directors and key managerial personnel and other persons mentioned in Section 170 of the Act which shall include the detail of securities held by each of them in the Company or its holding, subsidiary of Company's holding company or company and shall send to the Registrar a Return containing the particulars specified in such Register and shall otherwise comply with the provisions of the said Section in all respects.
- (2) Such Register shall be kept open for inspection by any member or debenture holder to the Company as required by section 171 of the Act.

Disclosure by Director of Appointment to any other Body Corporate

172. Every Director (including a person deemed to be a Director of the Company Managing Director, Key Managerial Personnel, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, relinquishment of such office disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under Section 170 of the Act.

Disclosure by Directors of their Holdings of Shares and Debentures of the Company.

173. Every director and every person deemed to be a Director of the Company shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Meeting of Directors

174. (a) The Directors may meet together as a Board for transaction of business from time to time and shall so meet at least four times in every year in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meeting of the Board, which had been called in compliance with the terms herein mentioned, could not be held for want of quorum.
- (b) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

- (c) Every director present at any meeting of the Board of Directors or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance there at

When Meeting to be Convened

175. Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

Directors Entitled to Notice

176. Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India.

Appointment of Chairman

177. The Board may elect a Chairman of its meetings and determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman 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 the Chairman of the meeting.

Appointment of Managing Director

178. (a) Pursuant to Section 203 of the Act, the Managing Director of the company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.
- (b) Any Managing Director or/s or whole time Director/s so appointed shall not be required to hold any qualification shares.
- (c) Subject to the provisions of Sections 196, 197, and 203 of the Act and also subject to the limitations, conditions and provisions of Schedule V to the Act, the appointment and payment of remuneration to the above Director/s shall be subject to approval of the members in general meeting and of the Central Government, if required.
- (d) Subject to the superintendence, control and direction of the Board, the day to day management of the Company shall be vested with the Managing Director/s or Whole-time Director/s Manager, if any, with Power to the Board to distribute such day to day management functions in any manner as deemed fit by the Board subject to the provisions of the Act and these

Articles.

Meeting of Committee, How to be Governed

179. (a) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors.
- (b) A committee may elect a Chairperson of its meetings. 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.

Resolution by Circular

180. No Resolution by circular shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless such Resolution has been circulated in draft form, together with necessary papers, if any, to all the Directors, or to all the members for the Committee, as the case may be, at the respective addresses registered with the Company or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution and has been approved by the majority of the Directors or Members of the Committee or by a majority of such of them as are entitled to vote on the Resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board. A resolution by circular shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

Directors May Appoint Committees

181. The Board shall constitute such committees as may be required under the Act, applicable provisions of Law and the Listing Regulations. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes.. A director shall not be a member of more than ten committees or act as a chairperson of more than five committees across all listed entities in which he is a director as determined by the Listing Regulations. The Chairman shall have a casting vote at committee meetings and the Board may from time to time, revoke and discharge such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.

Acts of Board or Committee Valid Notwithstanding Defect of Appointment

182. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.

POWER OF DIRECTORS

Certain Powers to be Exercised by the Board

183. (a) Without derogating from the powers vested in the Board of Directors under these Articles, 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 –

- (i) to make calls on shareholders in respect of money unpaid on their shares;
- (ii) to authorize buy-back of securities under Section 68 of the Act;
- (iii) to issue securities, including debentures, whether in or outside India;
- (iv) to borrow monies;
- (v) to invest the funds of the Company;
- (vi) to grant loans or give guarantee or provide security in respect of loans;
- (vii) to approve financial statement and the Board's report;
- (viii) to diversify the business of the Company;
- (ix) to approve amalgamation, merger or reconstruction;
- (x) to take over a company or acquire a controlling or substantial stake in another company;

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 (iv) to (vi) to the extent specified in clauses (b), (c) and (d) respectively on such conditions as the Board may prescribe.

- (b) Every resolution delegating the power referred to sub-clause (iv) of clause (a) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate,
- (c) Every resolution delegating the power referred to in sub-clause (v) of clause (a) 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.
- (d) Every resolution delegating the power referred to in sub-clause (vi) of clause (a) shall specify the total amount up to which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual case.
- (e) Nothing in this article contained 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 sub-clauses (i) to (x) of clause (a) above.

Restriction on Powers of Board

184. (a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
- (i) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company more than one undertaking of the whole or substantially the whole of any such undertaking;
 - (ii) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
 - (iii) borrow moneys, where the money to be borrowed, together with 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 its paid-up share capital and free reserves; or

- (iv) remit, or give time for the repayment of, any debt due from a director;
 - (v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amount, the aggregate of which in any financial year, exceed five percent of its average net profits as determined in accordance with the provisions of Section 198 of the Act during the three financial years, immediately preceding, whichever is greater.
- (b) Nothing contained in sub-clause (a) above shall affect:
- (i) the title of a buyer or other person who buys or takes a lease of any property, investment or undertaking as is referred to in that clause in good faith and after exercising due care and caution, or
 - (ii) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, comprises such selling or leasing.
- (c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) 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 authorize the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
- (d) No debt incurred by the Company in exercise of the limit imposed by sub-clause (iii) of clause (a) 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.
- (e) Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) Section 180 of the Act and in regard to the limitations on the power of the Company contained in Section 181 of the Act.

185. **Directors May Appoint Committees**

Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit. A director shall not be a member of more than ten committees or act as a chairperson of more than five committees across all listed entities in which he is a director as determined by the Listing Regulations. The Chairman shall have a casting vote at committee meetings and the Board may from time to time, revoke and discharge such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.

186. **Acts of Board or Committee Valid Notwithstanding Defect of Appointment**

All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.

General Powers of the Company Vested in Directors

187. 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 authorized to exercise and do and not hereby or by the stature or otherwise directed or required to be exercise or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other and act and of the Memorandum of Association and these articles and to any regulations, but 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.

Specific Powers Given to Directors

188. Without prejudice to the general powers conferred by Article 188 and the other powers conferred by these presents and so as not in way to limit any or all of these powers, but subject however to provisions of the Act, it is hereby expressly declared that the Directors shall have following powers.

To pay Registration Expenses

- (i) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation establishment and registration of the Company;
- (ii) To pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of Section 40 of the Act;

To Acquire Property

- (iii) Subject to the provisions of the Act and these articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, or Company carrying on the business which this company is authorized 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 deliver or may be advised to be reasonably satisfactory.

To Purchase Lands, Buildings, Etc.

- (iv) Subject to the provisions of the Act 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;

To Construct Buildings

- (v) To effect, construct, enlarge, improve, alter, maintain, pull down rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purpose of the Company and to acquire lands for the purposes of the Company.

To Mortgage, Charge Property

- (vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Act, 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;

To Pay for Property Etc.

- (vii) At their discretion 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-stocks or other securities of the Company, and any such shares stock of 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;

To Insure

- (viii) 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, store, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

To Open Accounts

- (ix) Subject to Section 179 of the Act, 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;

To Secure Contracts

- (x) To secure the fulfillments of any contracts of 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;

To Attach to Shares such Conditions

- (xi) 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 Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;

To Accept, Surrender, of Shares

- (xii) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or any part thereof subject to the provisions of the Act;

To appoint Attorney

- (xiii) 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 for any 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;

To Bring and Defend Actions

- (xiv) 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 Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

To Refer to Arbitration

- (xv) To refer, subject to the provisions of Section 180 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;

To Act on Insolvency Matters

- (xvi) To act on behalf of the company in all matters relating to bankrupts and insolvents;

To Give Receipts

- (xvii) To make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 180 of the Act;

To Authorize Acceptance

- (xviii) To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend/interest warrants, release, contracts and

documents on the Company's behalf;

To Invest Moneys

- (xix) Subject to the provisions of Sections 179, 180 and 186 of the Act, 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 release such investments;

To Provide For Personal Liabilities

- (xx) To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants' and provisions as shall be agreed on;

To Give to Directors Etc. An Interest in Business

- (xxi) Subject to such sanction as may be necessary under the Act or the articles, to give to any Director, Officer, or other persons 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.

To Provide for Welfare of Employees

- (xxii) 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 payment by creating and from time to time subscribing 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;

To Subscribe to Charitable and Other Funds

- (xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other useful institutions, object or purposes for any exhibition;

To Maintain Pension Funds

- (xxiv) 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 any time 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 institutions, associations, clubs or funds collected to be for the benefit of or to advance the interest 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 Company as aforesaid.
- (xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

To Create Reserve Fund

- (xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking

Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Section 179 and 180 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture-stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

To Appoint Officers Etc.

- (xxvii) The Board shall have specific power to appoint officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants.

To Authorize by Power of Attorney

- (xxviii) 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 the conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favor of any Company or the members, directors, nominees, or managers of any company or firm or otherwise in favor of an fluctuating body or person whether nominated, directly or indirectly by the Directors and any 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 discretions for the time being vested in them.

To Authorize, Delegate

- (xxix) Subject to the provisions of the Act, generally and from time to time and at any time to authorize empower or delegate to (with or without powers of sub-delegation) and Director, Officer or Officers of Employee for the time for the time being of the Company and/or any other person, firm or Company all or any of the powers authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.

To Negotiate

- (xxx) 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 and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- (xxxi) From time to time to make vary any legal bye-laws for the regulations of the business of the Company, its officers and servants.

- 189. The Company shall provide the option to its shareholders to exercise their right to vote in

meetings of the shareholders through electronic mode in accordance with Section 108 of the Act and shall vote only once'

Secretary

190. Subject to the provisions of Section 203 of the Act, the Directors may, from time to time appoint and, at their discretion remove any individual (hereinafter called 'the Secretary' who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

Seal

191. (I) The Board of Directors shall provide a Common Seal for the purpose of the Company, shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for its safe custody for the time being under such regulations as the Board may prescribe.
- (II) The Seal shall never be used except by the authority, of the Directors or a committee of the Directors, previously given and every deed or other instrument to which a seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company or by an officer duly authorized in that behalf by resolution of the Board, be signed by one Directors at least in whose presence the seal shall have been affixed, provided nevertheless that the certificate of shares issued by the Company shall be sealed and signed as provided in the next following Article

Provided however that the certificates of shares shall be signed in the name manner as the certificates of the shares required to be signed in conformity with the provisions of the Companies (Share Capital and Debentures) Rules 2014 and their statutory modification for the time being in force.

- (III) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least 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
- (IV) As authorized by the Act or amendment thereto, if the Company does not have a common seal, the authorisation under this clause shall be made by two Directors or by a Director and the Company Secretary, wherever the Company has appointed a Company Secretary or persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other person appointed by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digitally signed but not by means of rubber stamp.

Dividends Out of Profits Only

192. (i) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of money provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central

Government in that behalf.

Provided however whether owing to inadequacy or absence of profits in any year, the Company propose to declare out of the accumulated profits by the Company in previous years and transferred by it to the reserve, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf.

- (i) The depreciation shall be provided to the extent specified in Schedule II to the Act.
- (ii) No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.
- (iii) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- (iv) No dividend shall bear interest against the Company.

Interim Dividend

193. The Board of Directors may from time to time, pay to the members such interim dividends as appears to it to be justified by the profits of the company.

Debts May be Deducted

194. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Capital Paid Up in Advance and Interest Not to Earn Dividend

195. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to dividend or to participate in profits.

Dividends in Proportion to Amount Paid-Up

196. (a) Subject to the rights of the 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.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as having been paid on the share.
- (c) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion of the period in respect of which the dividends is paid but if any share is issued in terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

Right to Dividend, Right Shares and Bonus Shares to be held in Abeyance Pending Registration of Transfer of Shares

197. Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding anything contained in any other provision of this Act, shall -
- (a) transfer the dividend in relation to such shares to the special account referred to in Section 123 unless the Company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
 - (b) Keep in abeyance in relation to such shares any offer of rights shares under Section 62 and any issue of fully paid-up bonus shares in pursuance of Section 123.

No Member to receive Dividend whilst indebted to the Company and the Company's Right of Reimbursement Thereof

198. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

Effect of Transfer of Shares

199. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.

Dividends How Remitted

200. The dividend payable in cash may be paid by cheque, direct credit to the beneficiaries bank account or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holder or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost, to the member of person entitled thereto by forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

Notice of Dividend

201. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.

Unpaid Dividend or Dividend Warrant Posted

202. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in the name of the Company and transfer to the said Account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund maintained by the Central Government under the Act. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholder to whom the money is due.

No unclaimed dividend shall be forfeited by the Board unless the claim becomes barred by law.

Dividend and call together

203. Any General Meeting declaring as dividend may on the recommendations of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and members be set off against the calls.

CAPITALISATION

Capitalization

204. (a) Any general meeting may resolve that any amount standing to the credit of the Securities Premium Account or the Capital Redemption Reserve Account or any moneys, investment or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and where permitted by law, form the appreciation in value of

any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalized. Any such amount (excepting the amount standing to the credit of the Securities Premium Account and/or the Capital redemption Reserve Account) may be capitalized:

The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—

- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
 - (iv) for the purchase of its own shares or other securities subject to the provisions of Section 68 of the Act.
 - (v) 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;
- (b) Such issue and distribution under Sub-clause (a) (i) above and such payment to the credit of unpaid share capital sub-clause (a) (ii) above shall be made to, among and, in favor of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital;
- (c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.
- (d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture-stock; bonds or other obligations in trustees upon such trusts for the person entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debenture, debenture-stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.
- (e) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and in respect of the partly paid shares the sums so applied in the extinguishments or diminution of the liability on the partly paid shares shall be so applied *prorata* in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.
- (f) When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

Accounts

205. The provisions of Sections 128 to 138 of the Act and the relevant accounting standards shall be complied with in so far as the same is applicable to the Company.

Books of Accounts to be kept

206. (a) The Company shall keep at its Registered Office proper books of accounts as required by Section 128 of the Act with respect to :
- (i) All sums of money received and expected by the Company and the matters in respect of which the receipt and expenditure take place;
 - (ii) All sales and purchases of goods and services by the Company;
 - (iii) The assets and liabilities of the Company; and
 - (iv) The items of cost as may be prescribed under Section 148 of the Act and applicable to the Company.

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors so decide, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving full address of that other place.

- (b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transaction effected at that office shall be kept at that office and proper summarized returns made up to date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.
- (c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office as the case may be with respect to the matters aforesaid, and explain the transactions.
- (d) The books of account shall be open to inspection by any Director during business hours as provided by Section 128 of the Act.
- (e) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

Inspection by Members

207. The Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulation the account, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorized by the Directors or by a resolution of the Company in general meeting.

Statement of Account to be furnished to General Meeting

208. The Board of Directors shall lay before each annual general meeting a Financial Statements for the financial year of the Company which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

Financial Statement

209. (a) Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit.
- (b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.
- (c) If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

Authentication of Financial Statement

210. (a) The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act.
- (b) The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon.

Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet.

211. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

Board's Report to be Attached to Financial Statement

212. (a) Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder.
- (b) The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company of Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest.
- (c) The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.
- (d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of sub-clauses (a) and (b) of Article 211 and in accordance with the Listing Regulations, as applicable.
- (e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with.
- (f) Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

Right of Members to copies of Financial Statement and Auditor's Report

213. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to

be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

- (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
- (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

A copy of the Financial Statement etc. to be filed with Registrar

- 214. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

AUDIT

Financial Statement to be audited

- 215. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

Appointment of Auditors

- 216. The Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 148 of the Act, alongwith the Rules made thereunder.

Audit of Branch Office

- 217. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of branch offices of the Company, except to the extent to which any exemption may be granted by the Central Government, in that behalf.

Auditors to have access to the Books of the Company

- 218. (a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.
- (b) All notice of and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company and the Auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.

Financial Statement When Audited and Approved to be Conclusive

- 219. Every Financial Statement when audited and approved by a General Meeting shall be conclusive except where it appears to the directors that—

- (a) the financial statement of the Company; or
- (b) the report of the Board,

do not comply with the provisions of Section 129 or Section 134 they may prepare revised

Financial Statement or a revised report in respect of any of the three preceding financial years after obtaining approval of the Court or Tribunal as applicable on an application made by the Company in such form and manner as may be prescribed by the Central Government and a copy of the order passed by the Court or the Tribunal as applicable shall be filed with the Registrar..

Authentication of Documents and Proceedings

220. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Key Managerial Personnel or an officer of the Company duly authorized by the Board in this behalf and need not be under its Seal.

DOCUMENTS AND NOTICES

Service of Documents on Members By the Company

221. (i) A document or notice may be served by the Company on any member thereof either personally or by sending it, by registered post or speed post or by courier service or electronic means or such other modes as may be prescribed under the Act from time to time, to him at his registered address or if he has no registered address in India, to the address if any, within India, supplied by him to the Company for serving documents or notices to him
- (ii) Where a document or notice is sent by post or courier service:
- (a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or the notice provided that where a member has intimated to the Company in advance that documents should be sent to him by specified manner and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be deemed to be affected unless it is sent in the manner intimated by the members; and
- (b) Such service shall be deemed to have been affected:
- (i) In the case of a notice of meeting at the expiration of forty-eight hours after the letter containing the same is posted; and
- (ii) in any other case at the time at which the letter would be delivered in the ordinary course of post.
- (iii) A document or notice advertised in a newspaper circulation in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
- (iv) A document or notice may be served by the Company on the joint holders of a share by serving it to the joint holder named first in the Register in respect of the share.
- (iii) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter, addressed to them by name, or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address if any, in India supplied for the purpose by the person claiming to be so entitled or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (iv) The signature to any document or notice to be given by the Company may be written or printed

or lithographed.

To Whom Documents must be Served or Given.

222. Document of notice of every general meeting shall be served or given in the same manner herein before authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, c) directors and (d) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulation in the neighborhoods of the office of the Company under Article 99, a statement of material facts, referred to in Article 100 need not be annexed to the notice as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Members Bound by Documents or Notice Served on or Given to Previous Holders

223. Every person, who by operation of law, transfer or other means whatsoever, has become entitled to share shall be bound by every document or notice in respect of such share which prior to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derived his title to such share.

Service of Documents on Company

224. A document may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by Registered Post or by speed post or by courier services or by electronic means or by leaving it at its Registered Office or such other modes as may be prescribed under the Act from time to time.

Service of Documents by Company on the Registrar of Companies

225. Subject to provisions in the Act, a document may be served on the Registrar of Companies by sending it to him at his office by Registered Post, or speed post or by courier services or by delivering it to or leaving it for him at his office or address or by such electronic or other mode as may be prescribed under the Act from time to time.

REGISTERS AND DOCUMENTS

Registers and Documents to be Maintained by the Company

226. The Company shall keep and maintain Registers, Books and documents as required by the Act or these Articles.

Maintenance and inspection of documents in electronic form

227. Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,—
(a) Required to be kept by a company; or
(b) Allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by central government by the Central Government.

Inspection of Registers

228. Subject to provisions of the Act and the provisions in the Articles, the Registers maintained under the Act and the minutes of all proceedings of General Meetings shall be open to inspection during any working day during business hours and extracts may be taken there from and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company i.e., by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of fee of Rupees 50/- for each inspection. Subject to provisions of the Act and the provisions in the Articles, the copies of entries in the Registers maintained under the Act shall be furnished to the persons entitled to the same on payment of Rs. 10/- for each page..

OPERATION OF BANK ACCOUNT

All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys 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 of Directors may, from time to time, by resolution determine.

WINDING UP

Distribution of Assets

229. (a) Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.
- (b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

Distribution in Specie or Kind.

230. Subject to the provisions of the Act :

- (a) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.
- (b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right; if any to dissent and ancillary rights as if such determination were a special resolution, pursuant to Section 494 of the Companies Act, 1956 or Section 319 of the Companies Act, 2013 as applicable at the time of application.
- (c) In case any shares to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, but notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.

SECRECY CLAUSE

Secrecy Clause

231. (a) Every Director, Key Managerial Personnel, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Director, before entering upon his duties sign a declaration pleading himself to observe a strict secrecy respecting all transactions and affairs of the company with the customers and the state of the accountants with individuals and in matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so

far as may be necessary in order to comply with any of the provisions in these presents contained.

- (b) No Member or other person (not being a Director) 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 detail of the Company's trading, or any 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 interest of the Company to disclose.

INDEMNITY AND RESPONSIBILITY

Directors and Others Right to Indemnity

232. Every Director, Managing Director, Whole-time Director, Manager, Secretary and other Officer or employee or authorised representative of the Company shall be indemnified by the Company and for this purpose may have relevant third party insurances procured by the Company in their favour, for all costs, fees, penalty, deposit, losses and expenses (including travelling expenses) which such Director, Manager, Secretary, Officer or employee or authorized representative may suffer or is likely to suffer in any way during the course of discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims. Provided that no Director, Managing Director, Whole-time Director, Manager, Secretary and other Officer or employee or authorized representative of the Company shall be entitled to be indemnified by the Company or have insurance procured therefor in circumstances where any amounts directly or indirectly arise out of or in connection with any fraud, gross negligence, breach of trust or material and willful default on the part of such Director, Managing Director, Whole-time Director, Manager, Secretary and other Officer or employee or authorized representative of the Company.

Director and Other Officers not Responsible for the Acts of Others

233. Subject to the provisions of the Act, no Director, Managing Director, Whole-time Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the nominees of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, within whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties or in relation thereto, unless the same happens through his own dishonesty.

An Independent Director, and a non-executive director not being a promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.

SOCIAL OBJECTIVE

234. **Social Objective**

The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations and the Company shall be mindful of its social and moral

responsibilities to the consumers, employees, shareholders, society and the local community.

SECTION X –OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (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 on Working Days, from date of filing the Red Herring Prospectus with RoC to Bid / Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated June 19, 2017 amongst our Company and the BRLM appointing them as the Book Running Lead Manager to the Issue.
2. Memorandum of Understanding dated June 19, 2017 amongst our Company and Link Intime India Private Limited appointing them as Registrar to this Issue.
3. Tripartite Agreement dated May 25, 2017 amongst our Company, NSDL and Link Intime India Private Limited.
4. Tripartite Agreement dated May 24, 2017 amongst our Company, CDSL and Link Intime India Private Limited.
5. Escrow Agreement dated November 15, 2017 amongst our Company, the BRLM, Bankers to the Issue and the Registrar to the Issue.
6. Syndicate Agreements dated November 15, 2017 amongst our Company, BRLM and the Syndicate Members.
7. Underwriting Agreement dated [●] amongst our Company, BRLM and the Syndicate Member.

MATERIAL DOCUMENTS

8. The Memorandum and Articles of Association of our Company, as amended from time to time.
9. Copy of Certificate of Incorporation dated December 29, 2010 issued by the Registrar of Companies Gujarat, Dadra and Nagar Havelli.
10. Annual General Meeting resolution dated May 23, 2017, in relation to the Issue and other related matters.
11. Board resolution dated May 1, 2017, in relation to the Issue and other related matters.
12. Copy of agreement dated April 7, 2016 for reappointment and remuneration of our current Managing Director, Mr. Kirit G. Patel.
13. Copy of Examination Reports and the Financial Information, as restated, of our Company, for the period ended September 30, 2017 and for fiscal years 2017, 2016, 2015, 2014, 2013 by the statutory auditor, M/s S. N. Shah & Associates, Chartered Accountants dated November 7, 2017 included in the Red Herring Prospectus.
14. Copy of the audit report dated November 7, 2017 on the Special Purpose Interim Condensed Ind AS Financial Statements of our Company for the period ended September 30, 2017 by the statutory auditor, M/s S. N. Shah & Associates, Chartered Accountants included in the Red Herring Prospectus.
15. Copies of the Annual Reports of our Company for the fiscal years 2017, 2016, 2015, 2014 and 2013.
16. Statement of Tax Benefits dated June 14, 2017 issued by the statutory auditor of the Company, M/s S. N. Shah & Associates, Chartered Accountants.
17. Consents in writing from our Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Book Running Lead Manager, Syndicate Member(s), if any Underwriter(s), Registrar of the Issue, Legal Advisor to the Issue, to act in their respective capacities.
18. Consents in writing by CARE Advisory Research & Training Limited for inclusion of their name,

Appraisal Report and Industry Research Report in the RHP.

19. Due Diligence Certificate dated June 20, 2017 to SEBI from Pantomath Capital Advisors Private Limited, the Book Running Lead Manager to the Issue.
20. SEBI observation letter no. CFD/WRO/AKD/CF/1630/2017 dated September 19, 2017.
21. Techno Economic Viability Report dated May 31, 2017 issued by CARE Advisory Research & Training Limited
22. In-principle approval dated August 14, 2017 from the BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
23. In-principle approval dated July 28, 2017 from the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.

Any of the contracts or documents mentioned in the RHP may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XI – DECLARATION

DECLARATION BY OUR COMPANY

We hereby declare that all the relevant provisions of the Companies Act and the guidelines issued by the Government of India or the regulations or guidelines issued by the SEBI, established under Section 3 of the SEBI Act, 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, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the disclosures and statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF OUR COMPANY

Sd/-

Sd/-

Mr. KIRIT GHYANSHYAMBHAI PATEL
Chairman and Managing Director

Mr. RAMAKANT KANTIBHAI PATEL
Executive Director

Sd/-

Sd/-

Mr. KARSHANBHAI HIRABHAI PATEL
Executive Director

Mr. KANUBHAI BHIKHABHAI PATEL
Executive Director

Sd/-

Sd/-

Ms. CHAITALI BHARATKUMAR PARIKH
Independent Director

Dr. SHYAM AGRAWAL
Independent Director

Sd/-

Sd/-

MR. SUDHIR OMPRAKASH MAHESHWARI
Independent Director

Mr. SANJIV SHANTIPRAKASH SRIVASTAVA
Independent Director

Sd/-

Sd/-

MR. PARTH PATEL
Chief Financial Officer

Mr. UTTAMBHAI NARAYANBHAI PATEL
Company Secretary & Compliance Officer

Date: December 5, 2017

Place: Ahmedabad