

**FELIX INDUSTRIES LIMITED****(Formerly known as Felix Industries Private Limited) Corporate Identity Number: - U40103GJ2012PLC072005**

Our Company was incorporated as Felix Industries Private Limited on September 18, 2012 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra and Nagar Haveli vide registration no. (CIN: U40103GJ2012PTC072005). Pursuant to Shareholders Resolution passed at the Extraordinary General Meeting held on April 11, 2017 our Company was converted into a Public Limited Company and the name of our Company was changed to "Felix Industries Limited" vide a fresh Certificate of Incorporation dated April 24, 2017 issued by the Registrar of Companies, Ahmedabad, Gujarat. For details of the changes in our Name and Registered Office, please see section titled "*History and Certain Corporate Matters*" on page 177 of this Draft Prospectus.

**Registered Office:** 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakhali Cross Road, Ellisbridge, Ahmedabad. Gujarat. PIN - 380006. India.

**Contact Person:** Hena Ketan Shah (Company Secretary & Compliance officer) **Tel No:** 079- 26463658 / 59,

**E-mail:** hena.shah@felixindustries.co **Website:** www.felixindustries.com

**Promoter Of our Company:** Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah

**THE ISSUE**

**PUBLIC ISSUE OF 13,65,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH OF FELIX INDUSTRIES LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF RS. 35 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 25 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO 477.75 LAKHS ("THE ISSUE"), OF WHICH 69,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR A CASH PRICE OF RS. 35/- PER EQUITY SHARE, AGGREGATING TO RS. 24.15 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 12,96,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. 35/- PER EQUITY SHARE AGGREGATING TO RS. 453.60 LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.82 % AND 25.46 %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 283 OF THIS DRAFT PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS RS. 35/-. THE ISSUE PRICE IS 3.5 TIMES OF THE FACE VALUE.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 292 OF THIS DRAFT PROSPECTUS.**

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential Investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For further details, please refer to section titled "Issue Procedure" beginning on page no. 292 of this Draft Prospectus.

**The Copy of This Prospectus Has Been Delivered For Registration To The Registrar Of Companies As Required Under Section 26 Of Companies Act, 2013**

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 292 of this Draft Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is `10.00 per equity share and the Issue Price is 3.5 times of the face value. The Issue Price (has been determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph '**Basis for Issue Price**' on page 96 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

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

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE" i.e. "NSE EMERGE PLATFORM"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an in-principle approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the NSE Limited.

**LEAD MANAGER TO THE ISSUE****MONARCH NETWORK CAPITAL LIMITED,**

**Address** - Monarch House, Opp., Ishwar Bhuvan, Commerce Six Road, Navrangpura, Ahmedabad - 380014. **Tel. No.** - 079 - 6600 0500/ 700

**Website:** <https://www.mnclgroup.com/> **Email:** shivam.patel@mnclgroup.com

**Investor Grievance Email:** mbd@mnclgroup.com

**Contact Person:** Mr. Shivam Patel **SEBI Regn. No.** MB/ INM000011013

**REGISTRAR TO THE ISSUE****BIGSHARE SERVICES PRIVATE LIMITED,**

**Address** - E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400072. India. **Tel. No.** - 022 - 62638200

**Website:** <https://www.bigshareonline.com/> **Email:** ipo@bigshareonline.com

**Investor Grievance Email:** investor@bigshareonline.com

**Contact Person:** Mr. Jibu John **SEBI Regn. No.** INR000001385

**ISSUE PROGRAMME**

**ISSUE OPENS ON:** [●]

**ISSUE CLOSES ON:** [●]

**TABLE OF CONTENTS**

SECTION	CONTENTS	PAGE NO.
<b>I</b>	<b>GENERAL</b>	<b>2</b>
	DEFINITIONS AND ABBREVIATIONS	2
	CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION & MARKET DATA & CURRENCY OF FINANCIAL PRESENTATION	13
	FORWARD LOOKING STATEMENT	15
<b>II</b>	<b>RISK FACTORS</b>	<b>17</b>
<b>III</b>	<b>INTRODUCTION</b>	<b>38</b>
	SUMMARY OF OUR INDUSTRY	38
	SUMMARY OF OUR BUSINESS	47
	SUMMARY OF OUR FINANCIALS	50
	THE ISSUE	55
	GENERAL INFORMATION	56
	CAPITAL STRUCTURE	64
<b>IV</b>	<b>PARTICULARS OF THE ISSUE</b>	<b>84</b>
	OBJECTS OF THE ISSUE	84
	BASIC TERMS OF ISSUE	94
	BASIS FOR ISSUE PRICE	96
	STATEMENT OF TAX BENEFITS	99
<b>V</b>	<b>ABOUT THE ISSUER COMPANY</b>	<b>108</b>
	INDUSTRY OVERVIEW	108
	BUSINESS OVERVIEW	137
	KEY INDUSTRY REGULATIONS AND POLICIES	172
	HISTORY AND CERTAIN CORPORATE MATTERS	177
	OUR MANAGEMENT	181
	KEY MANAGERIAL PERSONNEL	193
	OUR PROMOTERS	198
	OUR PROMOTER GROUP AND PROMOTER GROUP ENTITIES	203
	DIVIDEND POLICY	212
<b>VI</b>	<b>FINANCIAL INFORMATION OF THE COMPANY</b>	<b>213</b>
	AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENT	213
	STATEMENT OF FINANCIAL INDEBTEDNESS	246
	MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS	248
<b>VII</b>	<b>LEGAL AND OTHER INFORMATION</b>	<b>258</b>
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	258
	GOVERNMENT AND OTHER APPROVALS	263
	OTHER REGULATORY AND STATUTORY DISCLOSURES	268
<b>VIII</b>	<b>ISSUE RELATED INFORMATION</b>	<b>283</b>
	TERMS OF THE ISSUE	283
	ISSUE STRUCTURE	290
	ISSUE PROCEDURE	292
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	346
<b>IX</b>	<b>MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>	<b>348</b>
<b>X</b>	<b>OTHER INFORMATION</b>	<b>381</b>
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	381
	DECLARATION	383

## SECTION I - GENERAL

## DEFINITIONS AND ABBREVIATIONS

In this Draft Prospectus, unless the context otherwise indicates, the following terms and abbreviations stated hereunder shall have the meaning as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

## I. CONVENTIONAL / GENERAL TERMS

Felix Industries Limited/ FIL / The company/ Company/ We/ Us/ Our/ our Company/ the Issuer	Unless the context otherwise indicates or implies refers to Felix Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at Ahmedabad in the state of Gujarat
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TERM	DESCRIPTION
Act/ Companies Act	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
Depositories Act	The Depositories Act, 1996 and amendments thereto.
Depository / Depositories	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in this case being Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL)
Listing Regulation / LODR	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
ROC / Registrar of Companies	The Registrar of Companies, Ahmedabad having office at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Ahmedabad-380013, Gujarat, India.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Regulations/ SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (LODR) Regulations, 2015	SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Code/ Takeover Regulations/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 and subsequent amendments thereto.
US Securities Act	United States Securities Act of 1933, as amended.

## II. COMPANY RELATED

TERMS	DESCRIPTION
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Articles / Articles of Association /AoA	Unless the context otherwise requires, refers to the Articles of Association of Felix Industries Limited, as amended from time to time.
Auditors/ Statutory Auditors/ Statutory Auditors of the Company	The Statutory & Tax Auditors of our Company, being M/s. S.N. Shah & Associates, Chartered Accountants, Ahmedabad
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 and SEBI(LODR) Regulations,2015
Board of Directors / Board / Director(s) / Our Board	The Board of Directors of our Company, including all duly constituted Committee(s) thereof.
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company in this case being, Ms. Hena Shah
Director(s)	Director(s) of our Company unless otherwise specified
Equity Shares/ Shares	Equity Shares of our Company having a face value of Rs. 10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity shares of our Company unless otherwise specified in the context otherwise.
ESOP	Employee Stock Option Plan
FV	Face Value of paid-up Equity Capital per Equity Share, in this case Rs. 10/- each.
Group Companies	All companies or ventures which would be termed as group companies as per the definition given in schedule VIII of SEBI ICDR Regulations, 2009. The details of group companies of the company are included in the Chapter in ' <b>Our Promoter Group And Group Companies / Entities</b> ' beginning on page 203 of this Draft Prospectus.
Key Managerial Personnel / KMP	The personnel listed as Key Managerial Personnel in the chapter titled ' <b>Our Management</b> ' beginning on page 181 of this Draft Prospectus
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Non- Resident	A person resident outside India, as defined under FEMA Regulations.
NRI/Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management(Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	The Peer Review Auditors of our Company, being M/s. S. N. Shah & Associates, Chartered Accountants, Ahmedabad
Promoter/ Promoters of our Company	Promoters of our Company, being Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah.
Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, 2009 and as disclosed in ' <b>Our Promoter Group And Group Companies / Entities</b> ' beginning on page 203 of this Draft Prospectus.
Registered Office	The Registered Office of our Company which is located at 208, Devshruti

TERMS	DESCRIPTION
	Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006, India.
SME Exchange	Unless the context otherwise requires, refer to the NSE Emerge Platform.
Stock Exchange	Unless the context otherwise requires, refers to, the NSE Emerge Platform of National Stock Exchange of India.

### III. ISSUE RELATED TERMS

TERM	DESCRIPTION
Allot / Allotment / Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares pursuant to the issue to the successful Applicants.
Allocation / Allocation of Equity Shares	Unless the Context otherwise requires, the allocation of Equity Shares pursuant to this Issue to successful Applicants.
Allottee`s	The successful applicant to whom the Equity Shares are/ have been allotted.
Applicant(s)	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Intermediary Collecting	1) an SCSB, with whom the bank account to be blocked, is maintained. 2) a syndicate member( or sub-syndicate member), 3) a stock broker registered with a recognized stock exchange(and whose name is mentioned on the website of the stock exchange as eligible for this activity)("broker"), 4) a depository participant ('DP') (and whose name is mentioned on the website of the stock exchange as eligible for this activity), 5) a registrar to an issue and share transfer agent('RTA')(and whose name is mentioned on the website of the stock exchange as eligible for this activity)
Application Form	The form in terms of which the prospective Applicants shall apply for the Equity Shares of our Company. All prospective Applicants shall apply through ASBA process only.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Applicants, to make an Application authorizing an SCSB to block the Application Amount in the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained by an ASBA Applicants with an SCSB which will be blocked by such SCSB to the extent of the Application Amount.
Banker(s) to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled <b>“General Information”</b> on page 56.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom Public Issue Account will be opened and in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue in consultation with the Stock Exchange which is described in the Chapter titled <b>‘Issue Procedure’</b> beginning on page 292 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application forms to a Registered Broker.
NSE	National Stock Exchange of India Limited
Controlling Branch	Such branches of the SCSBs which coordinate Applications made under

TERM	DESCRIPTION
	this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, Pan, Occupation and Bank Account details.
Depository Participant/DP	A Depository Participant as defined under the Depositories Act, 1996, as amended from time to time.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which amount blocked by the SCSBs is transferred from the ASBA Account specified by the ASBA Applicants to the Public Issue Account or are unblocked as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted to the successful Applicants.
Designated Stock Exchange/ SE	<b>“SME Platform”</b> of the National Stock Exchange Limited (NSE)
Draft Prospectus	This Draft Prospectus dated August 24, 2017 issued in accordance with section 32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulation, 2009 as amended from time to time.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Issue / Issue Size/ IPO/Initial Public Offering/Public Issue	Public Issue of 13,65,000 Equity Shares of Rs. 10/- each fully paid of FELIX INDUSTRIES LIMITED (“FELIX” Or “FIL” or “the Company” or “the Issuer”) for cash at a price of Rs. 35/- per Equity Share aggregating to Rs. 477.75 Lakhs. The Net Issue will constitute 25.46% of the post issue paid up capital of the Company.
Issue Agreement	The agreement dated July 04, 2017 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Period	The Issue period shall be [●], being the Issue Opening Date, to [●], being the Issue Closing Date.
Issue Closing Date	[●], The Date on which Issue closes for subscription
Issue Opening Date	[●], The Date on which Issue opens for subscription
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 35/-.
Issue Proceeds	The proceeds to be raised by our Company through Fresh Issue is Rs. 477.75 Lakhs.
LM / Lead Manager	Lead Manager to the Issue, in this case being <i>Monarch Networth Capital Limited</i> , SEBI Registered Category I Merchant Bankers.
Listing Agreement with NSE EMERGE	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the NSE Emerge Platform.
Market Making Agreement	Market Making Agreement dated July 06, 2017 between our Company, Lead Manager and Market Maker. In this case being <i>Monarch Networth Capital Limited</i> .
Market Maker/MM	Monarch Networth Capital Limited will act as the Market Maker and has



TERM	DESCRIPTION
	agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved portion of 69,000 Equity Shares of Rs. 10/- each at Rs. 35/- per Equity Shares aggregating to Rs. 24.15/- Lakhs for Market Maker in the Initial Public Issue of Felix Industries Limited.
Mutual Fund(s)/ MF	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 12,96,000 Equity Shares of Rs. 10/- each of M/s. Felix Industries Limited at Rs. 35/- per Equity Share aggregating to Rs. 453.6 Lakhs.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000.
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 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. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through NECS, Direct Credit, RTGS or NEFT, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Draft Prospectus, filed with the ROC containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	Account opened with Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement/Bankers to the Issue Agreement	Agreement dated [●] entered into amongst our Company, Lead Manager and the Registrar, the Banker(s) to the Issue for collection of the Application Amounts from the ASBA Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Qualified Institutional Buyers / QIBs	A Mutual Fund, Venture Capital Fund Alternative Investment Fund and Foreign Venture Capital investor registered with the SEBI, a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance Company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005 - DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.

TERM	DESCRIPTION
Registrar Agreement	The agreement dated July 05, 2017 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar/ Registrar to the Issue	Registrar to this Issue being Bigshare Services Private Limited having an registered office E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400072. India.
Retail Individual Investors	Individual investors, or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) and ASBA Applicants who apply for the Equity Shares of a value of not more than or equal to Rs. 2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Self-Certified Syndicate Banks/ SCSB	The banks registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offering services in relation to ASBA, a list of all SCSBs is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
SCSB Agreement	The deemed agreement between the SCSBs, the Lead Manager, the Registrar to the Issue and our Company, in relation to the collection of Applications from the ASBA Applicants and payment of funds by the SCSBs to the Public Issue Account
NSE Emerge	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter X-B of the SEBI ICDR Regulations.
Underwriters to the Issue	Monarch Network Capital Limited
Underwriting Agreement	The Agreement dated July 05, 2017 entered into between the Underwriters and our Company.
Working Days	Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays (in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016).



## IV. ABBREVIATIONS

ABBREVIATIONS	FULL FORMS
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Company Identification Number
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPS	Earnings Per Share
FCNR	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIIs	Foreign Institutional Investor, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time and registered with the SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investor
FTP	Foreign Trade Policy, 2009
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
GDP	Gross Domestic Product
GoI/ Government	Government of India
HNI	High Networth Individuals
HR	Human Resources
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries Of India

ABBREVIATIONS	FULL FORMS
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/Rs./Rupees/`	Indian Rupees, the legal currency of the Republic of India
JV	Joint Ventures
Km	Kilometres
Ltd	Limited
MB	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended from time to time.
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mkt.	Market
Mn	Million
MOA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
N.A./ n.a.	Not Applicable
NAV	Net Asset Value
NBFC	Non- Banking Finance Company
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
No.	Number
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	per annum
P/E Ratio	Price/ Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PE	Private Equity
PE Ratio	Price/ Earning Ratio
PIO	Persons of Indian Origin
POA	Power of Attorney
Pvt.	Private
Pvt. Ltd.	Private Limited
QIB	Qualified Institutional Buyers
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time

ABBREVIATIONS	FULL FORMS
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
SSI Undertakings	Small Scale Industrial Undertakings
STT	Securities Transaction Tax
TIN	Tax Identification Number
TAN	Tax Deduction and Collection Account Number
TRS	Transaction Registration Slip
TNW	Total Net Worth
UIN	Unique Identification Number
u/s	Under Section
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
Venture Capital Fund(s)/ VCF(s)	Venture Capital Funds as defined and registered with SEBI under Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
VAT	Value Added Tax
WDV	Written Down Value
w.e.f.	With Effect From
WTD	Whole Time Director
WTO	World Trade Organization
YoY	Year over year
LLP	Limited Liability Partnership
GAAP	Generally Accepted Accounting Principles

## V. TECHNICAL/ INDUSTRY RELATED TERMS

TERM	DESCRIPTION
ADB	Asian Development Bank
BAR	It's a unit of measure
BFSI	Banking and Financial Services and Insurance
BMS	Bachelors in Management studies
BOD	Biochemical Oxygen Demand
BOOT	Build, Own, Operate and Transfer
BOQ	Bills Of Quantity
CaCo3	Calcium Carbonate
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate
CETPS	Common Effluent Treatment Plants
CLRA	Contract Labour (Regulation & Abolition) Act, 1970
CM	Centimeters
CFL	Compact fluorescent lamps
CMS	Compact Membrane Systems
COD	Chemical Oxygen Demand
CPCB	Central Pollution Control Board
CPI	Corrugated Plate Interceptor
CRT	Cathode Ray Tube
DAF	Dissolved Air Flootation
DBO	Design, Build And Operate
DDT	Dividend Distribution Tax

TERM	DESCRIPTION
DM	Demineralization Treatment Plants
EEE	Electrical and Electronic Equipment
EMDE	Emerging Market and Developing economies
EPC	Engineering Procurement Construction
EPF Act	Employees Provident Fund and Miscellaneous Provisions Act, 1952
EPR	Extended Producer Responsibility
EU	European Union
FeO <sub>4</sub>	Iron Oxide/ Ferro ferric oxide
GOI	Government Of India
GST	The Goods and Services Tax
GVA	Gross Value Added
HCN	Hydrogen cyanide
H <sub>2</sub> S	Hydrogen Sulfide
ICT	Information and Communication Technology
IMF	International Monetary Fund
ITeS	Information Technology Enabled Services
Km <sup>3</sup>	Cubic meter
LDCs	Less Developed Countries
LIG	Low Income Group
Ltr	Litres
MAT	Minimum Alternative Tax
MBA	Master of Business Administration
MgSO <sub>4</sub>	Magnesium Sulfate
ML	Milli Litre
MLD	Million Litres per day
MM	Millimetre
MMDR	The Mines and Minerals (Development and Regulation) Act, 1957
MNC	Multinational Company
MoUs	Memorandum of Understanding
MOWR	Ministry of Water Resources
MT	Metric tone
MV Antenna	Microwave Antenna
MWCO(Da)	Molecular Weight cut-off in Daltons
NaCl	Sodium Chloride
NEPA	National Environmental Policy Act
NF	Nano- filtration
NGOs	Non- Governmental Organisations
OEMs	Original Equipment manufacturer
O&M	Operations and Management
PCBs	Polychlorinated Biphenyls
PGDCA	Post Graduate degree in Computer Applications
PPE	Personal Protective Equipment
PPP	Public-Private-Partnership
PVDF	Polyvinylidene Difluoride
PWA	The Payment of Wages Act, 1936
OEM	Original Equipment Manufacturer
RCC	Reinforced cement concrete
RBI	Reserve Bank of India
RO	Reverse Osmosis

TERM	DESCRIPTION
Sq. Mtrs	Square Meters
STP's	Sewage Treatment Plants
TDS	Total dissolved solid
TiO <sub>2</sub>	Titanium dioxide
TOT	Transfer of technology
TSDFs	Treatment, Storage and Disposal Facility
TSS	Total suspended solid
UF	Ultra-Filtration Plants
WASH	Water, Sanitation and Hygiene
WEEE	Waste Electrical And Electronic Equipment
WEO	World Economic Outlook
ZLD	Zero Liquid Discharge
ZnO	Zinc Oxide

Notwithstanding the following:-

1. In the section titled '**Main Provisions of the Articles of Association**' beginning on page 348 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled '**Summary of Business**' and '**Business Overview**' beginning on page 47 and 137 respectively, of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled '**Risk Factors**' beginning on page 17 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled '**Statement of Tax Benefits**' beginning on page 99 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled '**Management's Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page 248 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section; and
6. In the section titled '**Restated Financial Statement**' beginning on page 213 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section.

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

### *Certain Conventions*

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “FIL” “Felix”, unless the context otherwise indicates or implies, refers to Felix Industries Limited.

All references in this Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

### *Financial Data*

Unless stated otherwise, the financial data which is included in this Draft Prospectus is derived from our audited financial statements for the financial years ending March 31, 2017; 2016; 2015; 2014 and 2013 prepared in accordance with Indian GAAP, Accounting Standards, the Companies Act, 2013 and restated financial statements of our company prepared in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled ‘**Financial Statements**’ beginning on page 213 of this Draft Prospectus. Further, in terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009, the company is required to give the financial information for the preceding 5 financial years from the date of the Draft Prospectus. Felix Industries Limited was incorporated on September 18, 2012, the financial information for years ending March 31, 2013, March 2014, March 2015, March 2016 and March 31, 2017 has been mentioned in the draft prospectus.

Our Financial Year commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the following year, so all references to a particular Financial Year are to the (12) twelve-month period starting on April 01 of a particular year and ending on March 31<sup>st</sup> of immediately succeeding year. In this Draft Prospectus, all figures having more than 0.5 decimal points have been rounded off to 1.00 and discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices/ Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapters titled ‘**Risk Factors**’, ‘**Business Overview**’ and ‘**Management's Discussion and Analysis of Financial Conditions and Results of Operations**’ beginning on page 17, 137 and 248, respectively, of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations.



***Currency and Units of presentation***

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

- ‘Rupees’ or ‘Rs.’ or ‘INR’ or ‘₹’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

All references to the word “Lakh/Lakhs or Lac” means “One Hundred Thousand”, the word “Crore/Crores” means “Hundred Lakhs”, the word “Million (million) or Mn” means “Ten Lakhs”, the word “Crores” means “Ten Million” and the word “Billion (bn)” means “One Hundred Crores”.

***Industry and Market Data***

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

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

## FORWARD LOOKING STATEMENT

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

These forward looking statements can generally be identified by words or phrases such as “will”, “may”, “aim”, “is likely to result”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could significantly affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results to differ materially from our expectations include but are not limited to the followings:

- General economic and business conditions in the markets in which we operates and in the local, regional and national and international economies;
- Our ability to successfully implement our growth strategy and expansion plans, technological initiatives, and to launch and implement various projects and business plans for which funds are being raised through this Issue;
- Our ability to respond to technological changes;
- Our ability to attract and retain qualified personnel;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs and impact on the financial results;
- The effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- General social and political conditions in India which have an impact on our business activities or investments;
- Potential mergers, acquisitions restructurings and increased competition;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Changes in the competition landscape;
- Our ability to finance our business growth and obtain financing on favorable terms;
- Our ability to manage our growth effectively;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in political and social conditions in India or in countries that our company may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- Contingent Liabilities, environmental problems and uninsured losses; and
- The performance of the financial markets in India and globally.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled '*Risk Factors*', '*Business Overview*' and '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page 17, 137 and 248, respectively of this Draft Prospectus.

Forward looking statements reflect views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors nor the Lead Managers, nor any of their respective affiliates or associates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties summarized 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. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. 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.*

*This Draft Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Draft Prospectus. These risks are not the only ones that our Company faces. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

*To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled 'Business Overview' and 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page 137 and 248 respectively, of this Draft Prospectus as well as the other financial and statistical information contained in this Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled 'Financial Statements' beginning on page 213 of this Draft Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.*

### **Materiality**

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

1. *Some events may not be material individually but may be material when considered collectively.*
2. *Some events may have an impact which is qualitative though not quantitative.*
3. *Some events may not be material at present but may have a material impact in the future.*

The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.

## INTERNAL RISKS

### Risks relating to Our Company and Business

1. *We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to procure adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.*

Our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

2. *Our Registered Office and manufacturing unit from where we operate are not owned by us. If we are required to vacate the same, due to any reason whatsoever, it may adversely affect our business operations.*

Our Registered office and manufacturing units from where we operate are not owned by our Company. Our Company has been occupying the Registered office on rent-free basis from Promoter, Mr. Ritesh Patel and one of the manufacturing units on rent basis. The Company has received No Objection Certificate from Mr. Ritesh Patel in favour of the Company permitting the use of the premises. Any adverse impact on the title /ownership rights of the owner, from whose premises we operate our registered office and manufacturing units or breach of the terms / non renewal of the rent agreements/discontinuance on rent free basis, may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profitability. For more information, see “Our Business - Properties” on page 169 of this Draft Prospectus.

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as long term secured loans were Rs. 7,85,718 and short term secured loans were Rs. 1,00,35,182 as on 31<sup>st</sup> March, 2017. In the event we may default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited 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 “Statement of Financial Indebtedness” on page no.246 of this Draft Prospectus.

4. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.*

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. In such situation, Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “Statement of Financial Indebtedness” on page no. 246 of the Draft Prospectus Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance. For further details, please see the section titled “Financial Indebtedness” on page 246.

**5. *Our accounts receivable collection cycle is relatively long, which exposes us to higher client credit risk and seasonality in our results.***

Our accounts receivable collection cycle is fairly long as a result of the nature of our business and operations. This makes our business more susceptible to market downturns and client credit risk.

Further, although for some of our construction contracts, the contracts provide for guaranteed payments supported by letters of credit, the failure of our clients to make timely payments could require us to write off accounts and made provisions against receivables or increase our working capital requirements or accounts receivable reserves, which could adversely affect our results of operations and financial condition.

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

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 500 Crores. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds.

Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the NSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

Further, we propose to utilize the Net Proceeds for purposes identified in the section titled “*Objects of the Issue*” and we propose to utilize the Rs. 50 Lakhs of the Net Proceeds towards general corporate purposes, namely, brand building exercises and strengthening of our marketing capabilities. The manner of deployment and allocation of such funds is entirely at the discretion of our management and our Board, subject to compliance with the necessary provisions of the Companies Act.

**7. *We propose to expand and shift our existing E- Waste facility to our owned new premises; failure to obtain all permission for operating out of the new premises may adversely affect our financials***

During the year 2016-17, the Company has acquired land at Plot No. 123, Devraj Industrial Park, Pipalaj-Pirana Road, Lambha, Aslali- 382405 for its e-waste business activity as well as other existing business activities. The Company has made the necessary application to Gujarat Pollution Control Board, Gandhinagar (GPCB) for obtaining clearance for establishment of the plant at the aforesaid premises as required under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention And Control Of Pollution) Act, 1981 and has also received the Consent to Establish (CTE) an e-waste recycling facility at the aforesaid premises in respect of items specified in the said permission. The said permission is valid up to 07/03/2024. The company is in the process of submitting the produced plans and set up the required infrastructure for being able to apply for the Consent to Operate (CCA) and upon successful completion of the plant and machinery plans at the new location expects to be granted a full scale consent to operate and start its recycling operation at the aforesaid new location. While the company shall undertake all the necessary steps to ensure that the Consent to Operate is obtained and shall comply with all conditions required to be adhered to, as the same is a regulatory matter, we cannot assure that the permission will be obtained in a timely manner/ at all. Any delay or non-procurement of the permission to operate its facilities from the aforesaid new premises shall have an adverse impact on the business plans and the financials of the Company, as part of the funds raised in this Issue is also intended to be used for the construction of the facility at the aforesaid new premises, as disclosed at page 87 under section Objects of the Issue starting from page no. 84 of this Draft Prospectus.



**8. *We are dependent on third parties for the supply of raw materials, services and finished goods.***

Our business is significantly affected by the availability, cost and quality of the raw materials and bought out items, which we need to construct, develop and provide for our projects, products and services. The prices and supply of raw materials and bought out items depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties.

Although we may enter into back-to-back supplier contracts or provide for price contingencies in our contracts to limit our exposure, if, for any reason, our primary suppliers of raw materials and bought out items should curtail or discontinue their delivery of such materials to us in the quantities we need, provide us with raw materials and bought out items that do not meet our specifications, or at prices that are not competitive or not expected by us, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our results of operations and business could suffer.

Further, we depend on few suppliers who cater to a significant part of our business needs. If any of our key suppliers for a particular project is unable to continue providing the raw materials and bought out items we need, at prices and on terms and conditions we consider acceptable, we will be required to obtain these items from other suppliers and our results of operations and business could suffer as a result.

Astral Polytech Ltd is the biggest supplier of industrial pipes for the Company. In the event of any stoppage of supply by Astral, the business of the Company may suffer.

**9. *Our Promoters have given personal guarantees in relation to cash credit facilities provided to our Company by Bank of Baroda. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters' ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.***

Our Company has availed cash credit facilities of Rs. 100 Lakhs from Bank of Baroda as on June 5, 2014. Such facilities stipulate that the facility shall be secured by a personal guarantee by one of our Promoters named Mr. Ritesh Vinay Patel and one of our past director named Mr. Aditya P. Singh. In event of default on the debt obligations, the personal guarantee may be invoked thereby adversely affecting our Promoters' ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.

**10. *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.

- 11. 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 no. 84 of this Draft Prospectus.

- 12. We have issued Equity Shares at a price below the proposed issue price during the past 2 years prior to the date of filing the Draft Prospectus and the average cost of acquisition of Equity Shares by our Promoters is lower than the Issue Price.**

Our Company has issued and allotted Equity Shares at a price which is below the issue price in the past 2 years prior to the date of filing the Draft Prospects. The details of allotment are as follows:

Date of Allotment	No. of shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment
03-09-2016	1,75,000	10	Nil	Other than Cash	Bonus issue
05-10-2016	20,00,000	10	10	Cash	Preferential Allotment
17-03-2017	13,00,000	10	10	Cash	Rights issue

The price at which Equity Shares have been issued in the past 2 years is not indicative of the price at which Equity Shares may be offered in the Issue or at the price at which they will trade upon listing. For further details, please refer to Section titled “Capital Structure” on page no. 64 of this Draft Prospectus.

Further, our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price. 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 chapters “Risk Factors - Prominent Notes” and “Capital Structure” beginning on pages 36 and 64 respectively of this Draft Prospectus.

- 13. Our Insurance cover may be inadequate to protect us fully from all losses and damages which in turn would adversely affect our financial condition and results of operations.**

Our Company has availed of Workmen Insurance Policy covering our engineers and other workers engaged at various sites anywhere in India and contract works, accident or series of accident arising out of any event, clearance and debris removal, plant and machinery and any other normal perils or collapses. In addition, the Company has also availed of Private Car Comprehensive Policy covering damage to our vehicle, driver and passenger. However, there can be no assurance that the insurance policies will adequately cover losses and damages which may be suffered by us. We may also incur losses on the occurrence of unforeseen events such as floods, fire, accidents, etc. for which we may have obtained Standard Fire and Special Perils insurance policy. Losses suffered by our Company in excess of the availed insurance coverage or due to occurrence of unforeseen events will have to be borne by our Company itself. Also, there cannot be any assurance that all claims made by the Company will be honoured duly by the insurers. If our claims are not fully honoured, our financial condition

may be affected adversely. For further details, kindly refer to “Our Business – Insurance” on page no. 170 of this Draft Prospectus.

**14. We may not be able to prevent unauthorised use of trademarks obtained/ applied for by third parties, which may lead to the dilution of our goodwill.**

We have obtained trademark registrations of our brand “FELIX” under class 7 and 42 under the Trade Marks Act, 1999 (“Trade Marks Act”), any unauthorized use of our trademarks, by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. The measures we take to protect our trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our brand and in turn adversely affect our business, financial condition, results of operations and prospects.

The Company has allowed some of its group Companies (viz. Felix Colourant Private Limited and Felix Nano Synthesis Private Limited) to use the trademark “Felix” which is owned by the Company. However, there are no written agreements in place to record the terms and conditions on the basis of which the trademark can be used. For further details on the trademarks, Objected or pending registration, please refer to the chapter titled “Government and Other Approvals – Intellectual Property Rights” on page 264 of this Draft Prospectus.

**15. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

( Amount in Rs..)

Particulars	As on March 31				
	2017	2016	2015	2014	2013
Net cash from (used in) Operating activities	(1,64,02,764)	(14,30,987)	(53,90,489)	(49,52,656)	(2,85,230)
Net cash from (used in) Investing activities	(71,38,948)	(17,94,997)	(8,33,157)	(7,65,371)	--
Net cash from (used in) Financing activities	2,50,02,449	13,98,991	83,60,925	57,95,896	3,05,655
<b>Net Cash Flow</b>	<b>14,60,737</b>	<b>(18,26,993)</b>	<b>21,37,279</b>	<b>77,869</b>	<b>20,425</b>

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its 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 flow, it may adversely affect our business and financial operations. For further details please refer to the section titled 'Financial Statements' and chapter titled 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 213 and page no. 248 respectively, of this Draft Prospectus.

**16. Our Group companies have incurred losses during the past years as stated below.**

Our Group Companies as tabled below has incurred loss in the past financial years. The details of profit/loss are as under:

The	(Amt.In Rs.)			
	Name of Group Company	2016-17	2015-16	2014-15
	M/s Felix Colourant Private Limited	(30,265)	--	--
	M/s Felix Nano Synthesis Private Limited	(16,842)	(34,092)	(30,812)
	M/s Swetsam Stock Holding Private Limited	68,38,896	(6,197)	(16698.88)

details of group companies of the company are included in the Chapter in ‘**Our Promoter Group And Group Companies / Entities**’ beginning on page203 of this Draft Prospectus

**17. We have entered into certain related party transactions and may continue to do so.**

We have entered into related party transactions with our Promoters, its group members/ entities, Directors and other associates. While we believe that all such transactions have been conducted on arm length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the near 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 further details regarding the related party transactions, see the disclosure on related party transactions contained in the financial statements included in this Draft Prospectus and, also see the section “Related Party Transactions” on page 240.

**18. We operate in a highly competitive environment and may not be able to maintain our market position, which may adversely impact our business, results of operations and financial condition. We face competition from foreign companies and small fragmented Indian players in the EPC and O&M water treatment sector.**

We face intense competition in the bidding process from domestic as well as foreign companies. Several foreign companies have bid with domestic companies to participate in water treatment projects in India We face similar competition in other jurisdictions where we operate. In recent years, with the opening of these sectors, foreign companies have entered these markets with greater resources and assets than us and so they may be able to achieve better economies of scale allowing them to bid profitably at more competitive rates. In addition, new entrants to these industries may reduce their margin in order to gain market share. The nature of the bidding process may cause us and our competitors to lower prices to win contracts so as to maintain our respective market share. As a result of this competition, we face substantial margin pressure which could have a material adverse effect on our business, prospects, financial condition, and results of operations.

In addition, we expect to face future competition in acquiring new projects from government entities or other companies in infrastructure sectors like power, steel and refinery. Such competitors may also compete with us for our personnel and other human resources and operational resources and capital. With respect to our EPC and O&M business, we currently face significant competition from a number of small Indian companies operating in a fragmented manner.

**19. We require certain statutory and regulatory approvals, registrations and licenses for our business and our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.**

Our Company has not obtained the registration under the Gujarat Shops and Establishment Act, 1948 for its premises at Electronic Estate, Gandhinagar. Failure to obtain the same may result in the fines being levied on us. Further, Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our

Company is required to renew such permits, licenses and approvals. Further, we may require new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure to obtain and renew such registrations and approvals within statutory time frame attracts penal provisions. Further, such non-compliance may result in proceedings against our Company and the Directors and such actions may directly and immediately affect our operations and may have a material adverse effect on our revenues, profits and operations. For details please refer to chapter titled “Government and Other Approvals” beginning on page no. 263 of this Draft Prospectus.

**20. *We derive a significant portion of our income from a limited number of clients.***

We currently derive a substantial portion of our income from a limited number of large clients. The five largest business we derive from our clients is dependent on the decisions that our clients make which are largely influenced by various factors beyond our control. In the future, we could lose these key clients due to major events affecting them such as change of management, mergers and acquisitions or an economic slowdown, change in government and political scenario or lack of funding by the government. Moreover we are not the exclusive service provider to such clients and they have not committed to provide us with a minimum volume of work. Accordingly, we cannot guarantee that our key clients will continue to use our services or continue to provide us with work at historical volumes and commissions. The loss of our most significant clients or a significant decrease in the volume of work from these clients would have a material adverse effect on our business, results of operations, financial conditions and cash flows.

**21. *The Company has issued and allotted 2000000 equity shares on preferential basis to promoters on 05/10/2016 below the valuation price.***

The Company has issued 751000 equity shares to Mr. Ritesh Patel and 1249000 equity shares to Mr. Sagar Shah aggregating 2000000 equity shares of Rs.10/- each on 05/10/2016 at Par. The Company has obtained the shareholders requisite approval vide special resolution passed in the 4th Annual General Meeting of the Company held on 30/09/2016. As per the provisions of section 62 of the Companies Act, 2013, the Company has obtained the valuation report dated 03/09/2016 from M/s Rakesh Parihar & Associates, Chartered Accountants. The said valuation report has valued the per equity shares of the Company at Rs.10.39 on the basis of book value method. The 2000000 equity shares allotted to the promoters are at Rs.10/- per shares which are below the valuation price prescribed in the valuation report i.e. Rs.10.39 per share.

We cannot predict the effect of such issue of shares below the valuation price by the Company and this may lead to certain difficulties and/or contingences however the same shall not have any major adverse impact on the business and growth of our Company.

**22. *Outstanding Litigations against the company***

(i)	Labour Cases filed against the Company	: NIL
(ii)	Labour Cases filed by the Company	: NIL
(iii)	Civil Cases filed against the Company	: NIL
(iv)	Civil Cases filed by the Company	: NIL
(v)	Criminal cases against the company	: NIL
(vi)	Criminal cases filed by the company	: NIL
(vii)	Notices served on the Company	: 4
(viii)	Tax related matters	: NIL

Following are the details of the notices served on the company

1. A notice has been issued by the Joint Commissioner of Commercial Tax Department on April 11, 2017, whereby the Company has been called upon to make submissions and present its books of accounts for the financial year 2013-14. Representations have been made by the Company before the Commercial Tax Department. However, the status of the proceeding is not yet known. No demand notice has been issued till date by the Commercial Tax Department against the Company, further to such notice.
2. A Form 302 notice under Section 34(2) of the Gujarat Value Added Tax Act, 2003 by the Commercial Tax Officer has been issued on March 11, 2017. The Company has been called upon to produce its books of accounts from April 1, 2014 to March 31, 2015 to corroborate the tax credit/tax exemption/refund/deduction/concession/rebate of genuineness of declaration in respect of the period April 1, 2014 to March 31, 2015.
3. A notice dated March 11, 2017 has been issued by the Commercial Tax Officer under Rule 9 (4) of the Central Sales Tax (Gujarat) Rules, 1970 and the Central Sales Tax Act, 1956 stating as under:
  - a) that the authority intends to satisfy itself that the returns furnished by the Company in respect of the period April 1, 2014 to March 31, 2015;
  - b) that being a registered dealer, the Company has not furnished the prescribed dates returns in respect of the period April 1, 2014 to March 31, 2015;
  - c) that despite being liable, the Company has failed to apply for registration under Section 7 of the Central Sales Tax Act, 1956;
  - d) that for the period April 1, 2014 to March 31, 2015, income has escaped assessment since, wrong deductions have been made by the Company.

The said proceedings are presently under consideration. However, since no demand notice has been raised by the authorities as on date, it is not possible to arrive at any financial implications on the Company, if any.

4. A notice under Section 143 (2) of the Income Tax Act, 1961 stating that for the assessment year 2015-16, the return of income has been identified for scrutiny. The Company has provided the details sought for by the Income Tax Officer. However, since no demand notice has been raised by the authorities as on date, it is not possible to arrive at any financial implications on the Company, if any.

However, in future if any demand notice arises against these notices and a liability is determined against the Company then the Company will be liable to pay the dues. The quantum of liability is not known at this stage and may have a bearing on the financials of the Company. For further details on the above matter, please refer to the chapter titled “*Outstanding Litigations*” beginning on page no. 258 of this Draft Prospectus.

### 23. Litigations against Promoters & Promoter Group Companies

Name	Nature of Litigation	No. of Cases	No. of Notices	Amt (Rs. in Lakhs)
<b>Promoter</b>				
Mr. Ritesh Vinay Patel	N.A.	NIL	NIL	N.A.
Mr. Sagar Samir Shah	N.A.	NIL	NIL	N.A.
<b>Promoter Group</b>				
Mrs. Shweta Samir Shah	N.A.	NIL	NIL	N.A.
Mr. Vinay Rajnikant Patel	N.A.	NIL	NIL	N.A.
Mr. Samir Shah	N.A.	NIL	NIL	N.A.
Mrs. Charmi Ramani	N.A.	NIL	NIL	N.A.
Mrs. Mayuri Vinay Patel	N.A.	NIL	NIL	N.A.



<b>Group Companies</b>				
M/s Felix Colourant Private Limited	N.A.	NIL	NIL	N.A.
M/s Felix Nano Synthesis Private Limited	N.A.	NIL	1	N.A.
M/s Swetsam Stock Holding Private Limited	N.A.	NIL	NIL	N.A.
<b>Group Firms</b>				
M/s. Felix Industries	N.A.	NIL	NIL	N.A.
Seltron Resource solutions LLP	N.A.	NIL	NIL	N.A.

Following are the details of the notices served on Felix Nano Synthesis Private Limited:

1. A notice has been issued by Registrar of Companies, Ahmedabad Gujarat, on February 22, 2017, whereby the company has been in default for not filing of Balance Sheets and/or Annual Returns for the year ended March 31, 2015 and 2016 and ROC had reasonable cause to believe that contravention of section 92, 96 and 137 of the Companies Act, 2013 has been done. As on date of this Draft Prospectus, the Felix Nano Synthesis Pvt. Ltd. has not complied the same.

**24. *Our Company, Directors and Promoters are not involved but may in the future, be involved in certain legal proceedings, which, if determined adversely, may adversely affect our business and financial condition.***

Our Company may in the future be, implicated in lawsuits in the ordinary course of our business, including lawsuits and arbitrations involving compensation for loss due to various reasons including tax matters, civil disputes, labour and service matters, statutory notices, regulatory petitions, consumer cases and other matters. Any Litigation or arbitration could result in substantial costs and a diversion of effort by us and/or subject us to significant liabilities to third parties. In addition, our Company is subject to risks of litigation including public interest litigation, contract, employment related, personal injury and property damage. Our Company cannot provide any assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business including the financial condition of our Company, delay in implementation of our current or future project and results of operations. There can be no assurance that the results of such legal proceedings will not materially harm our business, reputation or standing in the marketplace or that our Company will be able to recover any losses incurred from third parties, regardless of whether our Company is at fault or not. There can be no assurance that losses relating to litigation or arbitration will be covered by insurance, that any such losses would not have a material adverse effect on the results of our operations or financial condition, or that provisions made for litigation and arbitration related losses would be sufficient to cover our ultimate loss or expenditure. Details of outstanding proceedings that have been initiated against our Company, our Promoters, our Group Companies and our Directors are set forth in the section titled “*Outstanding Litigation and Material Developments*” starting from page number 258 of this Draft Prospectus.

**25. *Any loss of or breakdown of operations at any of our operational facilities may have a material adverse effect on our business, financial condition and results of operations.***

Our operational facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results.

**26. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**27. *Delay in raising funds from the IPO could adversely impact the implementation schedule.***

The proposed expansion, as detailed in the section titled "Objects of the Issue" is to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**28. *Our Board of Directors and management may change our operating policies and strategies without prior notice or shareholder approval.***

Our Board of Directors and management has the authority to modify certain of our operating policies and strategies without prior notice (except as required by law) and without shareholder approval. We cannot predict the effect that any changes to our current operating policies or strategies would have on our business, operating results and the price of our Equity Shares.

**29. *We are currently expanding our business and are proposing to undertake new projects on either BOOT or TOT basis.***

Our business strategy is to continue to grow by expanding the size and scope of our existing businesses, as well as the development of new lines of business like BOOT. In BOOT projects, the concession period usually ranges from five to 15 years depending on the customer requirements and companies can derive significant value from such projects. Since we have limited experience and exposure in the BOOT projects, we may not be successful in expanding our operations, and our expansion plan may not be profitable. Also, some of these businesses are evolving in India and are likely to be subject to substantial regulatory control in the future. This could have a material adverse effect on our business, prospects, financial condition and results of operations.

**30. *We may not pre-qualify or be selected for the projects for which we propose to bid or bid.***

Most bidding processes for EPC, O&M and BOOT projects have a pre-qualification technical criteria like experience with similar technology with executed plants running for a few years and pre-qualification financial criterion like the turnover, profitability of the company and availability of credit lines with banks. We may not be able to fulfill such criteria and may not be allowed to bid for certain projects.

There might be delays in the bid selection process owing to a variety of reasons which may be outside our control, and our bids may not be selected or, if selected, may be challenged by non-successful bidders or may not be finalized within the expected time frame or on expected terms or at all.

Further, in selecting contractors or developers for major projects, clients generally limit the tender to bidders they have pre-qualified based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts in similar projects, although the price competitiveness of the bid is the most important selection criterion. Pre-

qualification is key to our winning such major projects. We are currently only qualified to bid for projects up to a certain value and therefore may not be able to compete for larger projects.

**31. *We may be subject to product liability claims for our EPC and O&M activities.***

We construct plants for water treatment subject to our client's specifications in our EPC business and undertake O&M activities for such water treatment plants. Most of our contracts provide for a defects liability period of 12 months to two years, where we are liable for any failure to comply with the specification of the project. Further, beyond the defects liability period, if we fail to comply with the stipulated specifications in relation to such plants, we may be subject to risks and costs associated with the through-put of the specified quality and quantity of water and any claims with respect to product liability. Any such defects may result in monetary claims and/or litigation, which would require us to expend considerable resources. Any product liability claims against us could generate adverse publicity, leading to a loss of reputation, customers and/or increase our costs, thereby materially and adversely affecting our business, results of operations and financial condition.

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

Our Company's revenue has increased from Rs. 315 lakhs as on March 31, 2016 to Rs. 517 lakhs as on March 31, 2017. Further, a principal component of our strategy is to continue to grow by expanding the size and scope of our existing businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, a robust management talent pipeline, preserving our culture, integration of culture and values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. An inability to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**33. *Our Order Book may not necessarily indicate future income.***

Our Order Book may not necessarily indicate future income, including as a result of cancellations, unanticipated variations or scope or schedule adjustments, which could adversely affect our results of operations. We cannot guarantee that the income anticipated in our Order Book will be realized, or, if realized, will be realized on time or result in profits. In addition, project cancellations or scope adjustments may occur from time to time, which could reduce the amount of our Order Book and the income and profits that we ultimately earn from the contracts.

**34. *Changes in technology may impact our business by making our products or services less competitive or obsolete or require us to incur additional capital expenditures.***

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer products and services more competitive than ours or may require us to incur additional capital expenditures to upgrade our technology, innovations, research and development facilities in order to provide newer products or services. If we are unable to adapt our technology in a timely manner to changing market conditions, client requirements or technological changes, our business, financial performance and the results of operations could be affected.

**35. *Growth of our e-waste recycling division is dependent on global demand for recycled materials and is subject to higher price fluctuations of recycled materials.***

Growth of our e-waste recycling division is largely dependent on global demand for recycled material. If the demand for recycled material decreases it may affect our business. Also if any, fluctuations in the prices of recycled materials are observed it may have negative impact on e-waste recycling business.

**36. *Our e-waste recycling division is dependent on the performance of the metal consuming industries in India.***

Nowadays, the metal consuming industries in India use the recycled metals from the e-waste as their raw materials. Fluctuations in the demand of products of such metal consuming industries may have impact on our e-waste recycling business. Thus, our e-waste recycling division is largely dependent on the performance of the metal consuming industries in India.

**37. *We are dependent on third-party transportation providers for the supply and delivery of our raw materials and bought out items, and an interruption or delay in deliveries, or an unexpected increase in costs, could adversely affect us.***

We typically use third-party transportation providers for the supply of most of our raw materials and bought out items, and for deliveries of our products to our clients. Transportation costs have been steadily increasing and continuing increases in transportation costs may have an adverse effect on our business and results of operations. In addition, transportation strikes by members of truckers' unions and shipping delays have had in the past, and could have in the future, an adverse effect on our receipt of supplies and our ability to deliver our products. Disruptions or other problems related to transportation and deliveries of products to our projects may adversely affect our results of operations.

**38. *Our company's one business segment performance may affect the other business segment performance and performance of the company as a whole.***

Companies usually sell more than one product, each of which is subject to its own market forces. One business segment, its financial conditions, results of operation or growth prospects may be affected by the risks and uncertainties directly or indirectly pertaining to the other business segment. Also, there may be client interdependence between our business segments. As our company deals in various business segments, performance of one business segment may adversely affect the performance of other business segment. And this in turn could affect the performance of the company as whole.

**39. *Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

**40. *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, including but not limited to:

- a) Environment (Protection) Act, 1986
- b) Air (Prevention and Control of Pollution) Act, 1981
- c) Other regulations promulgated by the Ministry of Environment and Forests and
- d) the Pollution Control Boards of the state of Gujarat

The above Regulation 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 any 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 may need 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.

***41. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “Capital Structure” and “Our Management” on page no. 64 and 181, respectively, of this Draft Prospectus.

***42. Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the proposed Initial Public Issue, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group members will always act in the best interests of the Company.***

After the completion of our Initial Public Issue, our Promoters, along with our Promoter Group members, will hold, approximately 73.18% of our post issue paid up equity capital of our Company. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholder. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. We cannot assure you that our Promoters and Promoter Group members will always act in our Company’s or your best interests. For further details, please refer to the chapters titled “Capital Structure” and “Our Promoter, Promoter Group and Group Companies” beginning on page no. 64, 198 and 203 respectively, of this Draft Prospectus.

***43. 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 no. 212 of this Draft Prospectus.

***44. Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by our Company may lead to the dilution of investors’ shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this

Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

**45. *You may be subject to Indian taxes arising out of capital gains on sale of 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 realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. For more details, please refer to “Statement of Tax Benefits” on page no.99 of this Draft Prospectus.

**46. *We cannot assure you that our Equity Shares will be listed on the SME Platform of NSE in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.***

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of our Equity Shares issued. We have only applied to NSE Limited to use its name as the Stock Exchange in this Offer Document for listing our Equity Shares on the SME Platform of NSE Limited. Permission for listing of the Equity Shares will be granted only after the Equity Shares offered in this Issue have been allotted. Approval from NSE Limited will require all relevant documents authorizing the issuing of the Equity Shares to be submitted to it. There could be a failure or delay in listing the Equity Shares on the SME Platform of NSE. Further, certain procedural and regulatory requirements of SEBI and the Stock Exchanges are required to be completed before the Equity Shares are listed and trading commences. Trading in the Equity Shares is expected to commence within 6 Working Days from the Issue Closing Date. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose off your Equity Shares.

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

Prior to this Issue, there has been no public market for our Equity Shares. Monarch Network Capital Limited is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.



Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled “General Information – Details of the Market Making Arrangement for this Issue” on page no. 61 of this Draft Prospectus.

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

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

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

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor’s demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

***50. We have had certain inaccuracy in relation to regulatory filings to be made with the RoC and the Company has made revised filing of certain forms. Company has defaulted in filing Forms.***

Our Company in the Financial year 2016-17 has made certain revised form filings with Registrar of Companies, Gujarat in order to reflect correct data and information of our Company. Our Board of directors and management continuously endeavour to maintain good corporate governance standards & principles and therefore decided to rectify the inadvertent errors made in filing certain forms and returns of our Company.

The Company has filed revised Form MGT-7 (For Annual return of F.Y.2014-15) with Registrar of Companies, Gujarat and it is to be noted that both forms i.e. old form MGT-7 with wrong data and information and the revised form MGT-7 with correct data and information are available on public domain ([www.mca.gov.in](http://www.mca.gov.in)) as the old form has yet not been applied for marking as ‘defective’ by our Company.

Further, our Company has filed revised Form AOC-4 (For financial statements of F.Y.2015-16), Form MGT-14 & Form PAS-3 (for issue and allotment of bonus shares on 3rd September, 2016), Form MGT-14 & Form PAS-3 (for issue and allotment of equity shares made on preferential basis on 05th October, 2016) and Form PAS-3 (for right issue of equity shares on 17th March, 2017). The corresponding old forms filed with Registrar of

Companies, Gujarat has been marked as defective by the office of Registrar of Companies, Gujarat on necessary applications and submissions by our Company.

We cannot predict the effect of such previous inadvertent errors made in filing of forms/returns of our Company and this may lead to certain difficulties and/or contingences however the same shall not have any major adverse impact on the business and growth of our Company.

We cannot assure you that the ROC will not raise any queries regarding the above forms. While we shall duly respond to the same, we cannot assure you of the outcome of the same including levy of penalties on the Company.

***51. Our company has, in the past, made applications for condonation of delay in respect of delay in making a form filing with the RoC in relation to the charge creation by us in favour of Bank of Baroda. There can be no assurance that there will not be any delay in making form filings in the future.***

Our Company has obtained Cash Credit facility of Rs.100 Lakhs from Bank of Baroda and created charge on its immovable property, stock on 05.06.2014. In terms of the Companies Act 2013, our Company was required to make the requisite form filing with the ROC within 30 days from the date of creation i.e. on or before 04.07.2014, however, our Company made the requisite form filing with the ROC on August 4, 2015 after a delay of 395 days from the date of creation of charge. Our Company has filed a petition before the Regional Director, North Western region, Ahmedabad under Section 87 of the Companies Act 2013 for condonation of this delay. The Regional Director, North Western region, Ahmedabad, by an order dated April 30, 2016 condoned the delay and has levied a penalty of ₹ 7,000 on our Company.

## **EXTERNAL RISK FACTORS**

***52. Our business is dependent on economic growth in India.***

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. For example, in the monsoon of 2009 several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

***53. Financial Instability and disruptions in Indian financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

The company is subject to various regulations and policies. For details see section titled “Key Industry Regulations” beginning on page no. 172 of this Draft Prospectus. The company’s current businesses and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that it will succeed in obtaining all requisite regulatory approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which could have a material adverse affect on the business, financial condition and results of operations.

**55. *Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.***

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

**56. *Natural calamities and force majeure events may have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. These natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Further prolonged spells of deficient or abnormal rainfall or other natural calamities in the future could have a negative impact on the Indian economy, adversely affecting our business and the price of the Equity Shares.

**57. *Terrorist attacks, civil unrests and other acts of violence in India and around the region could adversely affect the markets, resulting in loss of consumer confidence and adversely affect the business, results of operations, financial condition and cash flows.***

Terrorist attacks, civil unrests and other acts of violence or war in India and around the region may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect the business, results of operations, financial condition and cash flows. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on the business and price of the Equity Shares.

**58. *In future the company may depend on banks and financial institutions and other sources for meeting its short and medium term financial requirements.***

Any delay in the disbursement of funds from these bodies can act as a bottleneck to the project execution capabilities and thereby its results of operations. The company cannot assure that it will be able to do so on commercially reasonable terms. Any increase in interest expense may have a material adverse effect on its business prospects, financial condition and results of operations.

**59. *The nationalized goods and services tax (GST) regimes proposed by the Government of India may have material impact on our operations.***

The Government of India has enacted a comprehensive National Goods and Services Tax (GST) regime that will combine taxes and levies by the Central and State Governments into unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Given the limited availability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

**60. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the Industry contained in the Draft Prospectus.***

While facts and other statistics in the Draft Prospectus relating to India, the Indian economy and the 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 no. 108 of the Draft 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.

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

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of NSE could adversely affect the trading price of the Equity Shares.

**62. *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.

**63. *Last but not the least, Equity Investment per-se is itself a Risk Investment.***

The Stock Market is affected by numerous factors both controllable and non-controllable affected by any market either domestic or international. For instance, the recent financial crisis developed in Greek and the collapse of the Chinese Stock Market affected adversely to the Indian Stock Market as well as all other Stock Markets Internationally. The said developments also affected currency markets all over the world. The commodity

market was also not spared from such developments. Hence investors are advised to make their own judgement depending upon their risk appetite and invest wisely in stock market.

### Prominent Notes:

- Public Issue Of 13,65,000 Equity Shares of Face Value of Rs.10/- each of Felix Industries Limited (“FIL” or “Our Company” or “The Issuer”) for Cash at a Price of Rs. 35/- Per Equity Share (“Issue Price”) aggregating to Rs. 477.75Lacs, of which 69,000 Equity Shares of Face Value of Rs. 10/- each at a price of Rs. 35/- aggregating to Rs. 24.15 Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of 12,96,000 Equity Shares of Face Value of Rs. 10/-each at a price of Rs. 35/- aggregating to 453.6 Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute 26.82 % and 25.46 % respectively of the Post Issue paid up Equity Share Capital of Our Company.
- This Issue is being made for at least 25 % of the post-issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:
  - Minimum fifty percent to retail individual investors; and
  - Remaining to:
    - Individual applicants other than retail individual investors; and
    - Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*
- The Net worth of our Company as on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015 was Rs. 385.68 Lakh, Rs. 43.94 Lakh and Rs. 32.90 Lakh respectively. For more information, see the section titled “Financial Information of the Company” beginning on page no. 213 of this Draft Prospectus.
- The NAV per Equity Share, based on Standalone Restated Financials of our Company as March 31, 2017 was Rs. 10.35/- per equity share, March 31, 2016 was Rs. 17.58/- and March 31 2015 was Rs. 13.16/- .For more information, see the section titled “Financial Information of the Company” beginning on page no. 213 of this Draft Prospectus.
- The average cost of acquisition of Equity Shares by our Promoters is set out below:

NAME OF OUR PROMOTER	NUMBER OF EQUITY SHARES HELD	AVERAGE COST OF ACQUISITIONS
Ritesh V. Patel	17,38,000	9.19
Sagar S. Shah	18,98,000	10.00

*As certified by our Statutory Auditor vide their certificate dated, July 05, 2017. For Further details, please refer to “Capital Structure” on page no. 64 of this Draft Prospectus.*

- We have entered into various related party transactions with related parties including various Promoter group entity for the period ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014 and 31<sup>st</sup> March, 2013. For nature of transactions and other details as regard to related party transactions section titled “Financial Information of the Company” -Annexure XXX, Statement of Related Parties Transactions, as Restated” on page no. 240 of this Draft Prospectus.
- No Group companies have any business or other interest in our Company, except as stated in section titled “Financial Information of the Company - Annexure XXX, Statement of Related Parties Transactions, as Restated” on page no. 240 and “Our Promoters and Group Entities” on page no. 203 and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
- Our Company was incorporated as Felix Industries Private Limited on 18<sup>th</sup> September, 2012 under the

provisions of Companies Act, 1956 with Registrar of Companies, Dadra and Nagar Haveli, Gujarat vide registration no. (CIN:U40103GJ2012PTC072005). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on 11<sup>th</sup> April 2017 our Company was converted into a Public Limited Company and the name of our Company was changed to “Felix Industries Limited” vide a fresh Certificate of Incorporation dated 24<sup>th</sup> April 2017, issued by the Registrar of Companies, Ahmedabad, Gujarat.

For details of change in our name, please refer to Section titled “*History and Certain Corporate Matters*” on page no.177 of this Draft Prospectus.

9. Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
10. Investors are advised to see the paragraph titled “*Basis for Issue Price*” beginning on page no. 96 of this Draft Prospectus.
11. The Lead Manager and our Company shall update this Draft Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Prospectus and commencement of trading.
12. Investors are free to contact the Lead Manager i.e. ***Monarch Networth Capital Limited*** for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
13. In the event of over-subscription, allotment shall be made as set out in paragraph titled “*Basis of Allotment*” beginning on page no. 307 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. NSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
14. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Draft Prospectus.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled “*Our Management*” beginning at page no. 181, chapter titled “*Our Promoter Group & Promoter Group Entities*” beginning at page no. 203, and chapter titled “*Financial Information of the Company*” beginning at page no. 213 of this Draft Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “*Financial Information of the Company*” beginning on page no.213 of this Draft Prospectus.
17. Trading in Equity shares of our Company for all the investors shall be in dematerialised form only.



## SECTION III – INTRODUCTION

## SUMMARY OF INDUSTRY

*The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.*

**Global Economic Scenario**

The US economy slowed in the first half of 2016, despite the higher than expected upturn in Q2. The impetus from private consumption, non-residential fixed investment and exports was offset by drops in inventory accumulation, residential fixed investment and government spending. Investment in Q2 declined for three consecutive quarters as companies cut back spending on oil wells, equipment and inventories. In Q3, factory activity contracted for the first time in six months in August amidst slumping orders and production.

In the Euro area, growth decelerated from Q1 to Q2, both sequentially and y-o-y. Net exports and consumer spending supported growth, but fixed investment and inventories operated as drags. Industrial production contracted in July. The reemergence of stress in some parts of the banking sector in Q3 tightened financial conditions. However, economic sentiment improved in September in its major economies. The Japanese economy decelerated in Q2 after a modest improvement in Q1, as weak domestic consumption and sluggish external demand prompted companies to cut capital spending. In the UK, economic growth was stronger in Q2 than Q1, even as industrial growth was partly offset by a fall in construction activity.

(Source: Monetary Policy Report, issued by RBI in October, 2016)

**Table V.1: Real GDP Growth (q-o-q, annualised)**

	(Per cent)						
	2015: Q2	2015: Q3	2015: Q4	2016: Q1	2016: Q2	2016 (P)	2017 (P)
<b>Advanced Economies (AEs)</b>							
US	2.6	2.0	0.9	0.8	1.4	2.2	2.5
Euro Area	1.6	1.2	1.6	2.4	1.2	1.6	1.4
Japan	-1.9	2.1	-1.7	2.1	0.7	0.3	0.1
UK	2.0	1.2	2.8	1.6	2.8	1.7	1.3
Canada	-0.5	2.2	0.5	2.5	-1.6	1.4	2.1
<b>Emerging Market Economies (EMEs)</b>							
China	7.2	7.2	6.0	4.8	7.2	6.6	6.2
Brazil	9.1	6.2	5.1	1.7	2.2	3.3	0.5
Russia*	-4.5	-3.7	-3.8	-1.2	-0.6	-1.2	1.0
South Africa	-2.0	0.3	0.4	-1.2	3.3	0.1	1.0
Korea	1.6	4.8	2.8	2.0	3.2	2.7	2.9
Thailand	2.1	3.6	3.4	4.0	3.2	3.0	3.2
Malaysia	3.6	3.6	4.8	4.0	2.8	4.4	4.8
Mexico	3.3	2.8	1.8	2.0	-0.7	2.5	2.6
Saudi Arabia**	-4.7	2.1	5.9	2.8	-	1.2	2.0
<b>Mcmo</b>					<b>2015</b>	<b>2016 (P)</b>	<b>2017 (P)</b>
World Output					3.1	3.1	3.4
World Trade Volume					2.7	1.7	1.8 - 3.1

P : Projection, \* year-on-year, \*\*: Seasonally Unadjusted.

Source: Bloomberg, IMF, WTC and Eurostat.



After a lacklustre out turn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. Global output growth is estimated at about 3 percent (at an annualized rate) for the third quarter of 2016—broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies, mostly reflecting idiosyncratic factors. Forward-looking indicators such as purchasing managers' indices have remained strong in the fourth quarter in most areas.

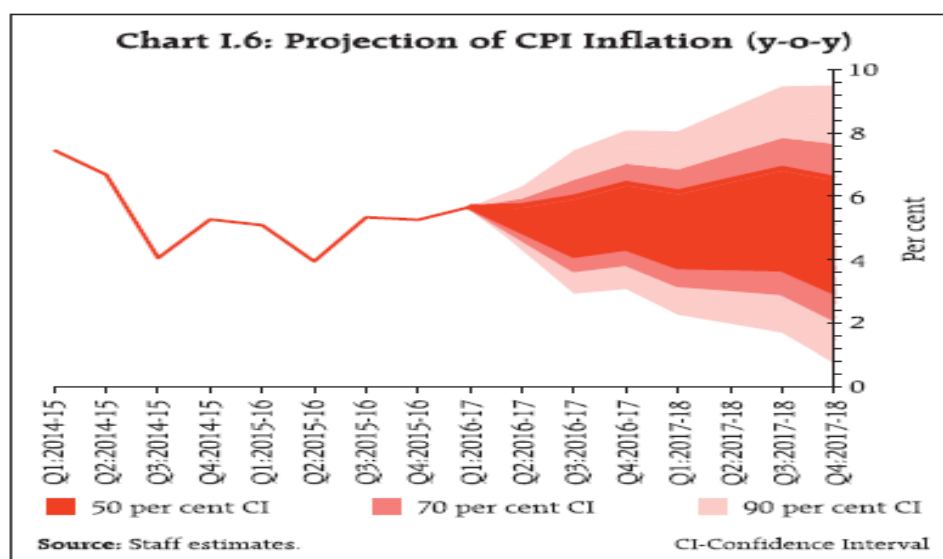
The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in EMDEs' growth. As discussed in the October WEO, this projection reflects to an important extent a gradual normalization of conditions in a number of large economies that are currently experiencing macroeconomic strains. EMDE growth is currently estimated at 4.1 percent in 2016, and is projected to reach 4.5 percent for 2017, around 0.1 percentage point weaker than the October forecast. A further pickup in growth to 4.8 percent is projected for 2018.

(Source: World Economic Outlook Update, IMF, January 2017)

### Indian Economic Scenario

Daily price collections of sensitive items under pulses, fruits, vegetables and cereals suggest that the seasonal surge in food prices may have peaked in July. Subdued momentum in food inflation in Q3 and the usual seasonal softening of food prices in early Q4, notwithstanding a reversal of base effects in March 2017, improves the near-term outlook for inflation considerably. Commodity prices are expected to remain quiescent over the rest of the year.

Staff's baseline model forecasts, taking into account the revisions in assumptions on initial conditions and augmented by information yielded by these forward looking surveys of various classes of economic agents as well as from lead indicators, set a trajectory that takes consumer price index (CPI) inflation down from 5.7 per cent in Q1 of 2016-17 to 5.0 per cent in Q3 before it firms up moderately to 5.3 per cent in Q4 (the 70 per cent confidence interval lies in a range of 3.9-7.0 per cent).



(Source: Monetary Policy Report, issued by RBI in October, 2016)

The depressed private investment climate amidst subdued capacity utilisation and corporate balance sheet deleveraging; depressed global output and trade growth dragging down net exports were some of the key

downside risks that could impinge upon the path of growth in 2016-17 highlighted by RBI in its Monetary Policy of April 2016.

While private investment activity remains sluggish, corporate business expectations remain upbeat in the Reserve Bank's industrial outlook survey on improving prospects for production, capacity utilisation, employment and the availability of finance. This positive sentiment was also reflected in business confidence surveys conducted by other institutions. Over the medium-term, the implementation of the GST should boost business confidence and investment, brightening the environment for an acceleration of growth. Other initiatives such as steps to attract foreign direct investment in defense, civil aviation, pharmaceuticals and broadcasting, measures to improve infrastructure, and the enactment of the Insolvency and Bankruptcy Code and the Real Estate (Regulation and Development) Act should also contribute to unlocking entrepreneurial energies and growth impulses.

The real GVA growth to improve from 7.3 per cent in 2016-17:Q1 to 7.6 per cent each in the remaining three quarters of 2016-17 on account of better agricultural prospects. For 2017-18, assuming a normal monsoon, fiscal consolidation in line with the announced trajectory and no major exogenous/policy shock(s), structural model estimates and off-model adjustments, real GVA growth of 7.9 per cent is expected but with downside risks mainly due to lower global demand vis-à-vis the April 2016.

*(Source: Monetary Policy Report, issued by RBI in October, 2016)*

### ***Global Water and Water Treatment Industry***

Water is vital to economic growth. Almost all of society's commercial activities, from agriculture and electricity generation to the production of consumer goods depends on the availability of water. Demand for water resources is growing rapidly but supply is limited. Globally, the volume of renewable water per capita has declined by 40% in the last 22 years. Among all natural resources, water faces one of the most serious threats both in terms of demand and supply. On the demand side, agricultural, industrial and municipal/residential usage is set to grow fast over the next 20 years. On the supply side, the world is facing a combination of insufficient freshwater, uneven distribution, widely varying quality, water losses and also adverse impacts due to climate change.

There are significant opportunities around water treatment and wastewater reuse with less than 3% of water globally being recycled. Water treatment covers the processes used to make water more acceptable for a desired end-use, such as drinking water, usage or re-usage by industry and irrigation. Moreover, this market is barely tapped within sufficient wastewater treatment around the world. For instance, wastewater reuse stands at only 2.41% of all water withdrawals globally. On the municipal side, the increasing scrutiny of environmental regulations and the need to extract more value from the water cycle is driving the market. We anticipate that large opportunities will also emerge from the USD 50 billion industrial water treatment market, vis-à-vis sectors with heavy volumes and environmental constraints (utilities, oil & gas, mining), strict water constraints (cosmetics), variable effluents (petrochemicals, energy, breweries) as well as in emerging areas like ship ballast water treatment. Desalination is also set to emerge as a US\$ 41 billion industry by 2025 with increased development in technology making desalination affordable in emerging markets like India.

### ***Indian Water and Water Treatment Industry***

Water is a finite resource. Therefore, conserving and recycling every drop of water is critical for humanity. India accounts for 18% of the world population and about 4% of the world's water resources. The challenge to provide clean drinking water to a growing population is enormous and policy action to tackle this is critical for the sustainable growth of the country. The Indian water sector, which comprises the drinking water segment and the wastewater treatment segment, is growing at a rate of 20% every year, according to a Ministry of Water Resources (MoWR) study in 2014. India spends less than USD 5 per person on providing water as compared to USD 28 per person in the US, as per Avalon Global Research.

Per capita availability of freshwater has dropped significantly from 5,177 cubic metres in 1951 to 1,820 cubic metres in 2001. As per the MoWR, per capita water availability in 2025 and 2050 is estimated to come down by almost 36% and 60% respectively, from the 2001 levels.

### ***Market Potential & Opportunities***

The wastewater sector has traditionally been a slow moving market driven by compliance with regulation in India. However, the advent of wastewater reuse changes the sector to one generating a valuable product- safe and reliable water supply. This has allured the possibilities of new project structures and inflows of private investment and provides powerful incentives to devote more resources to develop promising technologies.

There are three forces that are propelling the business case for reuse of treated wastewater in India. First and foremost: water security. At present; this issues ranks high in the minds of the policymakers in India with several cities along with industries facing water crisis. Secondly, reuse of treated wastewater is getting strong support from government policy. It is an important element in the ambitious plan of ruling government to clean up rivers and is also included in other urban policies and their related funding streams. The long-term strategy is to shift towards covering operating costs through user fees. Adding revenue generating water reuse component to industries boosts their financial viability and reduces the burden on public finance. Due to high discharge volumes, industrial units are being forced to reuse wastewater and resort to zero liquid discharge. We reveal which regulations are driving the need for advanced technologies. To mitigate the severity of this impending crisis, there is a need for innovative alternatives to fresh water.

### ***Recent trends in water and waste water***

- Technological changes are driving the way water is used, cleaned and reused for meeting human requirements. Industries are investing in new technologies and processes that reduce water use and wastewater discharges.
- Due to the capital intensive nature coupled with inadequate funding sources, lot of private participation is being sought to develop the water infrastructure in many countries. In recent years not only the developed countries but even many developing countries have started to liberalize their water industry, by inviting private-sector participation through public-private-partnerships (PPPs).
- The growth of the water sector which really matters from a commercial point of view is the proportion of the business which is open to private enterprise. Considering the momentum at which the sector is opening up for private players, the rate of growth that companies in the sector will experience is expected to accelerate in future.

### ***Opportunities***

*New wastewater treatment plants and plant upgrades:* The overall cost of cleaning the Ganga has been estimated at \$100billion. For this purpose, many additional wastewater treatment plants will be required, as well as the need for upgrading existing plants and more advanced wastewater treatment in order to comply with stricter regulations.

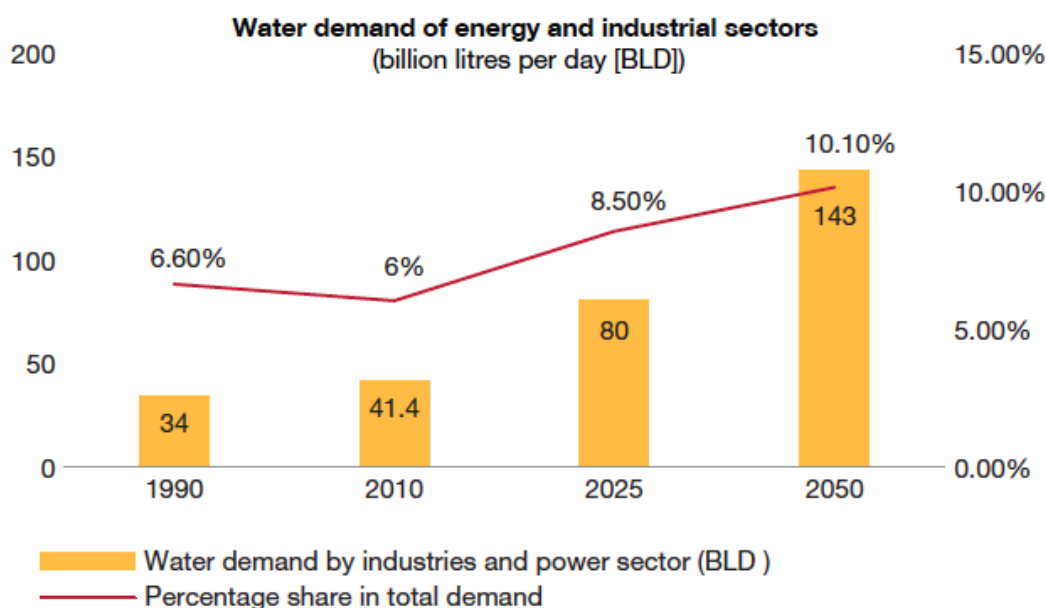
*New plants driving opportunities for new technologies:* More and more plants in India are being procured with O&M periods attached. The increasing specialization of water treatment systems creates opportunities for water companies with established international expertise and a greater chance for new technologies to be implemented.

*Urban water supply and sanitation:* The government is continuing to commit considerable spend for urban water supply and sanitation through such programmes as the Atal Mission for Rejuvenation and Urban

Transformation (AMRUT) and the Smart Cities Mission.

*Wider adoption of ZLD and advanced technologies:* Growing industrial water reuse and the drive towards ZLD means advanced technologies are sought to increase water recovery rates and reduce discharge volumes. Wider adoption of these technologies drives the need for more effective secondary and tertiary treatment to optimise these processes.

*Private Sector Participation:* The estimated expenditure for water infrastructure required in India far surpasses the financial capacity of the Indian government, and therefore private finance to meet these demands is being actively encouraged. There are prospects for BOTs in the longer term and an increased involvement of the private sector in the water market both in financing and operation.



Source: India Infrastructure Report, 2011, Chapter 18

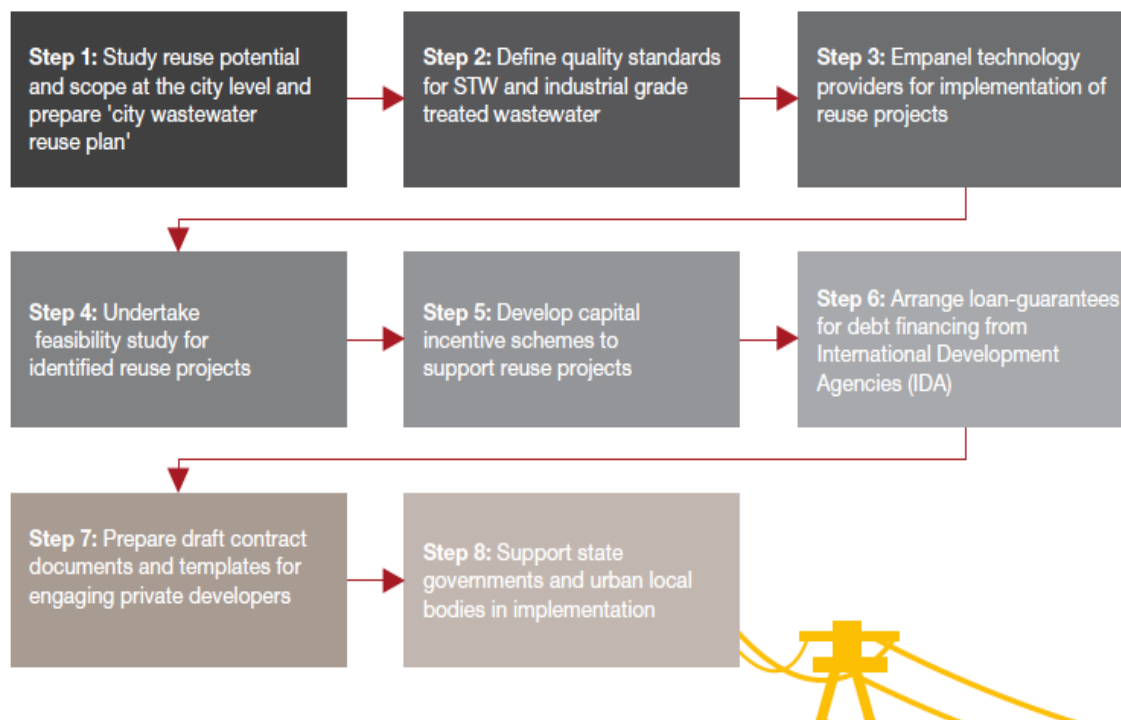
### ***Indian Market Demands that can be satisfied by services of our business sector***

- a. Integrated water treatment solutions such as performing feasibility studies, designing, technical consulting and providing operation and online maintenance services.
- b. Systems and equipment for water supply, sewage treatment as well as efficient use and reuse of water; such offerings should be addressed primarily to industrial organizations with a high degree of pollution (cement, paper, pharma, textile, leather, etc.)
- c. Equipment for wastewater treatment, including treatment technologies, bio gas regeneration through anaerobic treatment of municipal and industrial wastewater.
- d. Technical designs and equipment for rain water harvesting systems.
- e. Equipment for water saving and water recycling.
- f. Systems for rehabilitation of sewage (including septic system rehabilitation)
- g. Packaged and transportable sewage and wastewater treatment systems
- h. Technical designs, equipment and maintenance of equipment for disinfecting water by electrolysis.
- i. Solutions for the efficient use of water (including systems for irrigation such as sprinkler or drip irrigation and low –focus faucets and other water use systems)
- j. Instruments to analyze water (including water-saving devices for private households)
- k. Water purification systems for municipal, community and household use.

### ***Potential of Effluent/Sewage Treatment In India***

- a. In 2013, Indian sewage treatment industry was worth £ 900 million and is expected to grow at a CAGR of 13% during 2015-2020.
- b. India has a treatment capacity of 35% of the total sewage generated. However, only around 30% of the sewage is treated.
- c. Large cities in India are treating only 30-40% of their wastewater due to operational inefficiencies in the treatment plants. Smaller cities only treat around 8% of the wastewater.
- d. More than 118 towns are identified for extending sewage infrastructure including wastewater treatment and solid waste management with an investment of £ 570 Mn.
- e. 100 % FDI has been allowed to undertake wastewater treatment plants.
- f. It is estimated that only 40% of the industrial effluent is treated. The percentage share of effluent treatment in wastewater treatment business is 35%.
- g. There are 3 million micro-small scale and medium enterprises in India.
- h. Due to lack of technical and financial resources of MSMEs to implement effluent treatment, the govt. of India supports the setting up of Common Effluent Treatment Plants (CETPs).
- i. The central govt. funds 50% and 25% of the capital cost respectively.
- j. Currently there are 88 CETPs with a total capacity of 560 MLD caters to more than 10,000 industries across India.
- k. Due to strict govt. policies and regulations, many industries are mandated to install ZLD treatment.
- l. Textile and pharma sectors contribute 30% of the effluent treatment industry.
- m. The wastewater treatment equipment market has also grown multifold and is expected to grow at a CAGR of 10.9% by 2017. These systems and equipment are used at all phases of wastewater treatment to attain sustainable treatment structure.
- n. The Indian market is also observing increasing trend in favor of advanced water and wastewater treatment technologies.

### ***Government Scheme to Support Urban Waste Water Reuse***



## ***India Water outlook – Road Ahead***

With India's high population growth and intensifying water consumption, per capita availability of water has declined steadily over the years. There is an urgent need to generate water from all available alternate sources including wastewater by recycling, reuse, recharging, and storages. There is increased awareness among the Indian Environment and Pollution Control Boards and the norms are getting stricter by the day. Desalination of seawater, wastewater treatment and usage of recycled water for the industries is being tapped into by a few states which is providing a sustainable solution to the water issues. Although there has been increased focus on wastewater treatment over the last few years, there is still a big gap between generation and treatment which needs to be addressed on priority with policy actions.

Water is a crosscutting issue that permeates the cultural, social, economic, and political fabric of India. If Indian wastewater market has to make progress on major development fronts, it has to address the challenges of Burgeoning Demand for Water, Energy-water perspective, inadequate technology and Limited Capacity. While the Indian water market faces tremendous systemic challenges, it gives ample opportunities for development with continuous improvement measures from the government. This will call for collaborations of international experts with the Indian authorities on the transfer of technologies, water treatment experiences, and best practices in water management. Specific opportunities include wastewater treatment development in urban areas and improvement in clean water supply in rural areas.

## ***E-Waste Recycling***

Technology has become an essential part of the society, and many people depend on it in their everyday lives. This reliance has a direct correlation with the amount of electronic waste that is released into the waste disposal system. There are several management solutions that are used globally, but many regions still use unsafe methods to dispose their e-waste. The use of landfills and burning for disposal are practices that harm the environment and the surrounding communities, especially in developing ecosystems. It is vital for the Indian community to seek viable solutions to their e-waste disposal problems, focusing on benefits of proper recycling. A successful formal e-waste recycling operation not only helps limit the damage done to the environment and human health, but it also can provide new jobs for community members.

Green businesses are the key drivers of the economy in the current global business scenario. Of the various green initiatives, waste recycling creates the highest positive impact on the environment. Of all the different types of waste, electronic waste has the characteristics of:-

1. The fastest growing segment of waste
2. Most valuable due to its basic composition
3. Very hazardous if not handled carefully.

However, the sector is very new with only a few corporate players in India and globally. Most of the electronic waste management sector is currently handled by the unorganized / informal sector in India. However due to lack of skills, knowledge, awareness, etc., the sector has remained highly labour intensive, environmentally unfriendly and unhealthy. If done in the right way, and in an organized fashion, e-waste management can become a dominant economic sector.

It has been found that the e-waste business is highly profitable from the economic as well as environmental perspective. There are some established success stories around the world as well as a few in India. However, it is perceived that the unorganized sector has a cost advantage. Hence the organized waste management remains limited. However it has been found that the costs of the unorganized sector are not necessarily lower than the organized sector especially when we consider three major aspects

- a. Rising cost of labour
- b. Limited efficiency of labour
- c. Low quality of the final output



Automated or semi-automated large capacity plants require less labour, can consistently work at high efficiency and produce a much better quality of the final product. Therefore, they are extremely cost effective in the long run. Thus, even if there is competition of the unorganized sector, e-waste management can be an economically viable and a high returns business for the organized industry.

E-waste, is the by-product of the technological revolution. When disposed off in a landfill, it becomes a conglomeration of plastic and steel casings, circuit boards, glass tubes, wires, resistors, capacitors, fluorescent tubes, and other assorted parts and materials. It is both valuable as a source of secondary raw material, and toxic if treated and discarded improperly. When the term recycling is used to describe the disposal of these products, it does not always refer to discarding them. In many cases, these devices are still in working condition and could be used by another consumer. So the reuse and resale of these products accounts for a portion of recycling system. But for devices that are no longer in a condition to be used, proper disposal methods must be facilitated.

The growth of e-waste has significant economic and social impacts. The increase of electrical and electronic products, consumption rates and higher obsolescence rate leads to higher generation of e-waste. The increasing obsolescence rate of electronic products also adds to the huge import of used electronics products. Rapid technological change, low initial costs and even planned obsolescence have resulted in a fast growing e-waste crisis around the globe. Due to lower environmental standards and working conditions in China and India, the huge mass of e-waste is being sent to the third world countries for processing – in most cases illegally.

### ***Recent trends in e waste***

- The lifecycle of an e waste product is extremely short. Cell phone or other electronic devices have a two to five year life span. Therefore, recyclers are adapting quickly and adjusting their business models accordingly. The industry itself is constantly aggressive in addressing new items that are coming on board and advancing new technologies for recycling. However, products are getting more complex and smaller which can be more challenging to recycle.
- The new concept of “rare metal recovery complex” is now derived in order to collect waste containing rare metals and give them mechanical, physical and chemical treatments in a systematic complex plant. This infrastructure in Japan is referred to as “urban mining” which enables the minimum use of energy and reagents required for crushing/ shredding, separation and purification processes of rare metals
- The general public is now more aware about the typical e-waste streams such as PCs, Laptops, cell phones and thus the retailer recycling options are very effective because its convenient for people to drop off recycled items at a place they shop.

### ***Current Scenario***

With the socio economic development, consumption of electronic equipment is increasing rapidly that generates e-waste in the same proportion. Around 50 Million Tons of E-waste was generated in the year 2016 (7Kg/Person) out of which only 12.5% (6.5 Million tons approx.) of e-waste is documented and recycled with highest standards officially. Around 3 Million Tons of toxins are generated globally from e-waste at present in the form of hazardous wastes and toxic gases polluting air, water and soil. Asia generated the highest amount of e-waste globally (16 Million Tons) followed by America (11.7 Million Tons) and Europe (11.6 Million Tons) in the year 2015. India generates around 1.7 Million Tons of e-waste annually at present.

Development and execution of electronic waste management systems varies from country to country. A system may be successful in one nation but not in another, therefore, it is essential to understand the existing management system and tailor each system to the area concerned. Economic and environmental feasibility are two important factors to determine the status of waste management in countries. The Indian government has begun to promote effective e-waste recycling. However, the education of community members is another extremely important factor, because without participation, these systems would never succeed. Regulations and awareness are the foundation of an effective waste management system.



It is evident that many steps have been taken to establish a successful e-waste recycling system in India; the main barrier is the lack of proper incorporation of existing regional systems and newer recycling solutions. An important issue is the financial plan that would ensure a profitable operation. Expenses such as rental of space, payroll, operational costs must be balanced with sources of income such as sales to buyers of recovered materials and possible government assistance to e-waste recycling facilities.

Sixty-five cities in India generate more than 60% of the total e-waste generated in India. Ten states generate 70% of the total e-waste generated in India. Maharashtra ranks first followed by Tamil Nadu, Andhra Pradesh, Uttar Pradesh, West Bengal, Delhi, Karnataka, Gujarat, Madhya Pradesh and Punjab in the list of e-waste generating states in India. Among top ten cities generating e-waste, Mumbai ranks first followed by Delhi, Bangalore, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Surat and Nagpur.

### ***Road Ahead – e waste***

In India this trash could well be turned to treasure. With a growing middle class and increasing urbanization, India has a massive and rapidly growing market for electronics re-use. Many in this country don't have the resources to buy new electronics, but would be happy to have access to used ones. India, as a net importer of metals and plastics, also has sufficient metal and plastic industry demand to consume all raw materials extracted from non re-usable electronic, reducing our dependency of imports. What India needs are more services that can get unused devices out of people's drawers and into the hands of people who could use them, and clean, efficient technology to recycle waste and extract minerals, metals, and plastics from them with maximum output and little or no pollution. Law enforcing agencies need to create an environment that cultivates the growth of such e-waste management services. This can be done through education, incentivization and taxation. Educating Indians about the ill effects of improper recycling and spreading the word about companies will help. Penalizing businesses that are still not following the E-Waste Management and Handling Rules will help incentivize them to use authorized 'clean' recyclers. Enforcing the new EPR (Extended Producer Responsibility) Law will incentivize manufacturers and consumer to support trade-in.

*(Source: PWC Report, September 2016, Knowledge Paper)*

*(Source: vpc, water sector in India, December, 2015)*

## SUMMARY OF BUSINESS

*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 Draft Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no.17 of this Draft Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page nos.17, 213 and 248 respectively, of this Draft Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Felix Industries Limited and Group Entities as the case may be.*

### **Overview of our Business**

Our Company was originally incorporated as “Felix Industries Private Limited” on September 18, 2012 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Our Company was subsequently converted in to a public company and consequently name was changed to “Felix Industries Limited” (RBL) vide fresh certificate of incorporation dated April 24, 2017 issued by Registrar of Companies, Ahmedabad, Gujarat,. The CIN of the Company is U40103GJ2012PLC072005.

Established in 2012, Felix Industries Ltd is an Environmental Conservation Company with a fundamental vision of “Recycle-Reuse-Recover-Reduce”. Our company is based out of Ahmedabad, Gujarat and spear headed by Mr. Ritesh Vinay Patel, a Chemical Engineer with an experience of close to six years in water & wastewater recycling and Mr. Sagar Samir Shah, who holds his Masters in Environmental Biotechnology and Sustainable Waste Management and has an overall experience of three years in identify, handling and developing strategies for a sustainable service and technology provider for making a mark in solving regional waste and environment issues.

The management of environmental issues is becoming increasingly important and complex in both rapidly developing and developed countries. Access to water is a key factor in the growth of entire economies, cities and many different industries, pollution is becoming increasingly difficult to treat, energy resources and raw materials are growing scarcer and regulations are becoming more and more stringent. Energy efficiency and the circular economy are becoming critical issues.

The 21st century is therefore seeing a radical change in the role played by cities in the global economy, where growth, prosperity and social welfare have become priority issues. Faced with growing international competition and increasingly stringent environmental regulations, industrial companies are finding that they need support to be more competitive and implement their growth strategies.

Against this backdrop, demand for environmental services that offer significant added value is increasing and can be seen in the many growth opportunities opening up around the world. Felix is therefore offering expert and innovative solutions that enable it to position itself as a “value creator”.

Felix Operates in India as one of the upcoming service and technology provider in providing water and wastewater management services on behalf of municipal and industrial customers. It is an expert in developing technological solutions and carrying out the construction work needed to operate its services. Since 2012 to 2017, Felix provided water & wastewater solutions/services to over 50 industries and MNC's in India along with aiding and spreading knowledge in the industry and municipal bodies.

A national standard for all e-waste solutions, from recycling to processing and recovery along with other compliance services the company managed to serve 35+ industries and corporate to dispose their e-waste in an environmentally sound manner and has recovered and made available secondary metal and non-metal resources back to the Indian economy reducing burden of extracting primary resources.

As in Industrial piping, Felix has successfully promoted and helped install plastic based piping solutions to overcome the major issue of corrosion in over 80 + industries and companies in India over the period of 5 years from 2012.

Nano Filtration Membrane technology has gained huge importance in India in the last 5 years with technical based application in both production and treatment phases of critical industrial sectors by adding new possibilities and solutions of recovering valuable products, treating effluents and minimizing environmental impacts, energy reduction and is a value contributor in green chemistry and sustainable use and design of separation technology.

Use of Nano Filtration Membranes offers a wider range of ion selectivity and hence opens door to variety of separation applications across many industries to offer range of NF membranes that give versatility to clients for selection that optimally fits their application needs. Felix is capable of offering and piloting such customized need of NF membranes by constantly reinvesting in to our staff, R & D and facility to stay on the cutting edge for providing timely, knowledgeable and friendly services no matter the size. As an engineering company we have opted for exploring all the industrial applications and possibilities of this technology to successfully incorporate the usefulness of these membrane based application from an economic and resource conservation.

### ***Business Offerings***

Felix offerings in water cycle management range from producing and supplying drinking water to collecting, treating, recovering and recycling wastewater. Felix expertise in wastewater treatment allows it to develop solutions that respond to the needs of municipalities and industrial companies, including:

- Engineering, designing and building treatment plants;
- Producing drinking and industrial process water;
- Decontaminating wastewater;
- Recycling wastewater and industrial effluents;
- Operating, maintaining and optimizing treatment plants;
- Producing “green” energy from wastewater and sludge (e.g. through anaerobic digestion, cogeneration and micro turbines).
- Product recovery from effluents;
- Achieving ZLD (Zero liquid discharge) standards

The company along with its techno-alliance GEA engineering (A USA based Company) has a portfolio of more than 450 proprietary technologies (including physicochemical, biological, membrane and bio membrane, membrane desalination, thermal and hybrid treatments) to tackle the challenges of managing water in all its forms (drinking water, industrial process water, ultrapure water, wastewater and seawater, sewage, effluent).

Felix is one of the leading players in the management of e-waste across the entire waste life cycle, from collection to recycling and material recovery. We are continuously working to develop innovative technical solutions to offer its customers a range of collection systems that can be adapted to suit their specific economic and regional requirements. New hybrid frameworks have been developed with the already existing strong informal network to expand our reach and capacity for collection of various scale and sizes.

Felix’s goal is to process waste with a view to reintroducing it into the industrial production cycle and achieving the highest possible rate of recovery. The company also provides recycling services for complex waste, such as electrical and electronic devices and fluorescent bulbs.

Felix expertise in e-waste recycling and management allows it to develop services and solutions that respond to the needs of the environment and the generators (municipalities, industries and public):

- Data Destruction
- Optimised Collection & Logistics
- Responsible Processing
- Auditing & Consultation
- Refurbishment Services
- CFL Recycling
- Cable Recycling
- Reports and Certifications
- Community Outreach
- Take-back Schemes
- Hosting Collection Drives
- Awareness Campaign
- Extended Producer Responsibility

Since year 2012, Felix Industries has forayed into the segment of industrial thermoplastic pipes, fittings and valves including turnkey jobs of installation and commissioning. Being a technological player, Felix Industries has always followed the marketing strategy of TESMA (Technical Sales and Marketing) in which they educate the client technically and convince them commercially developing a long association with them. The vision of the company to take up this activity to be a part of transforming the industry to a sound and environmental conservative solution for high end piping requirements.

Since 2015, the company has opened doors of various applications of such Nano membranes to assist its clients achieve better production and better treatment of effluents through piloting, installation and operations of such membranes and hence promoting a new era of advanced membrane based technologies. Over a period of two years the company has proved a strong technical partner for the membrane manufacturer and has widened the applications of these membranes by constant piloting and technical research for use of such membranes. This has resulted in rewarding a PAN India distributor of these Nano membranes and has seen a consistent growth in sales and increased cliental of these membranes.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from Restated Audited Financial Statements as of and for the financial years 2013, 2014, 2015, 2016 and 2017. Please note that in terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009, the company is required to give the financial information for the preceding 5 financial years from the date of the Draft Prospectus. Felix Industries Limited was incorporated on September 18, 2012; the financial information for the financial years 2013, 2014, 2015 and 2016 and 2017 has been mentioned in the Draft Prospectus. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009. The summary financial information presented below should be read in conjunction with the chapters and notes mentioned therein titled 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' and 'Restated Financial Statement' beginning on page no. 248 and 213, respectively of this Draft Prospectus.

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

(Rs. In lakhs)

Particulars	Annexure	As at March 31,				
		2017	2016	2015	2014	2013
<b>EQUITY AND LIABILITIES</b>						
<b><u>Shareholders' Funds</u></b>						
a. Share Capital	V	372.50	25.00	25.00	1.00	1.00
b. Reserves & Surplus	VI	18.87	19.16	8.15	3.99	(1.04)
<b><u>Non Current Liabilities</u></b>						
a. Long Term Borrowings	VII	7.86	53.18	-	-	-
b. Deferred Tax Liabilities	VIII	-	-	-	0.11	-
<b><u>Current Liabilities</u></b>						
a. Short Term Borrowings	IX	101.08	111.11	131.45	63.41	2.43
b. Trade Payables	X	98.36	89.91	52.04	166.97	-
c. Other Current Liabilities	XI	14.91	34.56	3.88	3.90	-
d. Short Term Provisions	XII	9.03	18.36	6.75	4.04	0.21
<b>TOTAL</b>		<b>622.60</b>	<b>351.27</b>	<b>227.27</b>	<b>243.43</b>	<b>2.60</b>
<b>ASSETS</b>						
<b><u>Non Current Assets</u></b>						
a. Fixed Assets	XIII					
i. Tangible Assets		106.01	33.63	15.16	7.65	-
Less: Accumulated Depreciation		(17.74)	(14.76)	(6.21)	(1.11)	-
ii. Intangible Assets (Net)		-	1.00	1.00	-	-
iii Capital Work in Progress		-	-	-	-	-
<b>Net Block</b>		<b>88.27</b>	<b>19.87</b>	<b>9.94</b>	<b>6.54</b>	<b>-</b>
b. Deferred Tax Assets (Net)	XIV	0.88	1.08	0.18	-	-
c. Long Term Loans & Advances	XV	0.40	0.40	-	-	-

Particulars	Annexure	As at March 31,				
		2017	2016	2015	2014	2013
d. Other Non Current Assets	XVI	5.68	0.22	0.26	0.30	0.34
<b><u>Current Assets</u></b>						
a. Inventories	XVII	93.77	60.80	33.77	48.42	-
b. Trade Receivables	XVIII	383.36	248.85	102.01	149.81	-
c. Cash and Cash Equivalents	XIX	18.69	4.09	22.36	0.98	0.20
d. Short Term Loans & Advances	XX	31.54	14.02	57.70	37.38	2.06
e. Other Current Assets	XXI	-	1.95	1.05	-	-
<b>TOTAL</b>		<b>622.60</b>	<b>351.27</b>	<b>227.27</b>	<b>243.43</b>	<b>2.60</b>

*Note: The above statement should be read with the Statement of Assets and Liabilities, Profit and Losses, Cash Flow Statement and Significant Accounting Policies and Notes to Restated Financial Statements appearing in Annexure I, II, III, IV*

**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Rs. In lakhs)

Particulars	Annexure	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>INCOME</b>						
Revenue from Operations	XXII	517.26	315.13	290.43	412.66	-
Other Income	XXIII	1.82	13.40	1.62	0.15	-
<b>Total Income (A)</b>		<b>519.07</b>	<b>328.52</b>	<b>292.05</b>	<b>412.81</b>	<b>-</b>
<b>EXPENDITURE</b>						
Purchase of Stock-in-Trade	XXIV	389.45	221.82	148.80	321.01	-
Changes in inventories of Goods Traded	XXV	(32.98)	(27.02)	14.64	(48.42)	-
Employee benefit expenses	XXVI	64.22	40.10	37.83	23.78	-
Finance costs	XXVII	17.75	20.11	12.59	3.03	-
Depreciation and amortisation expense	XXVIII	2.98	8.54	5.10	1.11	-
Other Expenses	XXIX	51.76	42.38	67.04	105.40	1.04
<b>Total Expenses (B)</b>		<b>493.18</b>	<b>305.93</b>	<b>286.01</b>	<b>405.92</b>	<b>1.04</b>
<b>Profit before exceptional items and tax (C)</b>						
Exceptional Items		-	4.14	-	-	-
<b>Profit before tax (D)</b>		<b>25.89</b>	<b>18.45</b>	<b>6.04</b>	<b>6.89</b>	<b>(1.04)</b>
<i>Tax expense :</i>						
(i) Current tax		8.48	8.35	2.16	1.75	-
(ii) Deferred tax		0.21	(0.91)	(0.29)	0.11	-
<b>Total Tax Expense (E)</b>		<b>8.69</b>	<b>7.44</b>	<b>1.87</b>	<b>1.86</b>	<b>-</b>
<b>Profit for the year (D-E)</b>		<b>17.20</b>	<b>11.01</b>	<b>4.17</b>	<b>5.03</b>	<b>(1.04)</b>

*Note: The above statement should be read with the Statement of Assets and Liabilities, Profit and Losses, Cash Flow Statement and Significant Accounting Policies and Notes to Restated Financial Statements appearing in Annexure I, II, III, IV*



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

(Rs. In lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
<b><u>Cash flow from operating activities:</u></b>					
Net Profit before tax as per Profit And Loss A/c	<b>25.89</b>	<b>18.45</b>	<b>6.04</b>	<b>6.89</b>	<b>(1.04)</b>
Adjusted for:					
Preliminary Expenses w/off	1.41	0.04	0.04	0.04	0.04
Fixed Assets Written off	0.01	-	-	-	-
Depreciation & Amortisation	2.98	8.55	5.10	1.11	-
Interest & Finance Cost	17.75	18.85	12.59	3.03	-
Interest income	-	(0.52)	(0.17)	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>48.04</b>	<b>45.36</b>	<b>23.59</b>	<b>11.07</b>	<b>(1.00)</b>
Adjusted for (Increase)/ Decrease:					
Trade Receivables	(134.51)	(146.83)	47.80	(149.81)	-
Inventories	(32.98)	(27.02)	14.64	(48.42)	-
Short Term Loans and Advances	(14.38)	44.21	(21.16)	(35.32)	(2.06)
Trade payables	8.45	37.86	(114.93)	166.97	-
Current Liabilities	(19.65)	42.28	0.52	5.98	0.21
Other Non Current Assets	-	-	-	-	-
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(162.68)</b>	<b>(5.96)</b>	<b>(50.58)</b>	<b>(49.53)</b>	<b>(2.85)</b>
Add:- Extra-Ordinary Items	-	-	-	-	-
<b>Cash Generated From Operations</b>	<b>(162.68)</b>	<b>(5.96)</b>	<b>(50.58)</b>	<b>(49.53)</b>	<b>(2.85)</b>
Direct Tax Paid	(1.35)	(8.35)	(3.32)	-	-
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(164.03)</b>	<b>(14.31)</b>	<b>(53.90)</b>	<b>(49.53)</b>	<b>(2.85)</b>
<b><u>Cash Flow From Investing Activities:</u></b>					
Purchase of Fixed Assets	(72.39)	(18.47)	(8.50)	(7.65)	-
Sale of Fixed Asset/Reversal of Fixed Assets	1.00	-	-	-	-
Interest Income	-	0.52	0.17	-	-
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(71.39)</b>	<b>(17.95)</b>	<b>(8.33)</b>	<b>(7.65)</b>	<b>-</b>
<b><u>Cash Flow from Financing Activities:</u></b>					
Proceeds From Share Capital	330.00	-	24.00	-	1.00
Preliminary Expenses/Share Capital Raising Expenses	(6.88)	-	-	-	(0.37)
Increase/(Decrease) Long Term Borrowing	(45.32)	53.18	-	-	-

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Increase/ (Decrease) in Short Term Borrowing	(10.03)	(20.34)	72.20	60.99	2.43
Interest & Financial Charges	(17.75)	(18.85)	(12.59)	(3.03)	-
<b>Net Cash Flow from/(used in) Financing Activities ( C )</b>	<b>250.02</b>	<b>13.99</b>	<b>83.61</b>	<b>57.96</b>	<b>3.06</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>14.61</b>	<b>(18.27)</b>	<b>21.37</b>	<b>0.78</b>	<b>0.20</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>4.09</b>	<b>22.36</b>	<b>0.98</b>	<b>0.20</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>18.69</b>	<b>4.09</b>	<b>22.36</b>	<b>0.98</b>	<b>0.20</b>

*Note: The above statement should be read with the Statement of Assets and Liabilities, Profit and Losses, Cash Flow Statement and Significant Accounting Policies and Notes to Restated Financial Statements appearing in Annexure I, II, III, IV*

## THE ISSUE

Present Issue in terms of this Draft Prospectus:

Particulars	No. of Equity Shares
Equity Shares offered	13,65,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 35/- per Equity Share aggregating Rs.4,77,75,000/-.
<i>Of Which:</i>	
Reserved for Market Makers	69,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 35/- per Equity Share aggregating Rs. 24,15,000/-.
Net Issue to the Public*	12,96,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 35/- per Equity Share aggregating Rs.4,53,60,000/-.
<i>Of which:</i>	
Retail Investors Portion	6,48,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 35/- per Equity Share aggregating Rs. 2,26,80,000/-.
Non Retail Investors Portion	6,48,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 35/- per Equity Share aggregating Rs. 2,26,80,000/-.
Equity Shares outstanding prior to the Issue	37,25,000 Equity Shares
Equity Shares outstanding after the Issue	50,90,000 Equity Shares
Use of Issue Proceeds	For details please refer chapter titled ' <i>Objects of the Issue</i> ' beginning on page no.84 of this Draft Prospectus.

\* As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the Allocation' is the net issue to the public category shall be made as follows:

- Minimum fifty percent(50%) To Retail Individual Investors; and
- Remaining to the other than Retail Individual Investors

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

### Notes:

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time for at least 25% of post issue paid-up equity share capital of our Company, pursuant to Rule 19(2)(b)(i) of the Securities Contracts (Regulations) Rules, 1957 as amended.

- The Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to chapters titled '**Other Regulatory and Statutory Disclosures**' and '**Issue Structure**' beginning on page no. 268 and 290 of this Draft Prospectus.
- The Fresh Issue of Equity Shares has been authorized by a resolution by the Board of Directors passed at their meeting held on May 15, 2017.
- The Fresh Issue of Equity Shares has been authorized by a resolution by the EGM passed at their meeting held on June 10, 2017.

## GENERAL INFORMATION

Our Company was originally incorporated in Ahmedabad as “Felix Industries Private Limited” on September 18, 2012 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Ahmedabad. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Felix Industries Limited” vide fresh certificate of incorporation dated April 24, 2017 issued by the Registrar of Companies, Ahmedabad, Gujarat, pursuant to section 23(1) of the said Act. For further details, please refer to the chapter titled ‘*History and Certain Corporate Matters*’ beginning on page no. 177 of this Draft Prospectus.

### *Registered Office of our Company*

<b>CIN</b>	: U40103GJ2012PLC072005
<b>Address</b>	: 208, Devshruti complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad- 380006
<b>Tel No.</b>	: +91 7926463658/26463659
<b>Email Id</b>	: info@felixindustries.co
<b>Website</b>	: www.felixindustries.co
<b>Contact Person</b>	: Ms. Hena Shah

### *Address of the Registrar of Companies*

<b>Address</b>	: ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad- 380013
<b>Tel No.</b>	: +91 79 27437597
<b>Fax No.</b>	: +91 79 27438371
<b>Email Id</b>	: roc.ahmedabad@mca.gov.in

### *Designated Stock Exchange*

Our Company proposed to list its Equity Shares on **NSE EMERGE** (SME Platform of NSE).

<b>Address</b>	: National Stock Exchange of India Ltd., Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra
<b>Tel No.</b>	022-2659 8100 - 8114
<b>Fax No.</b>	022- 2659 8120

### *Issue Programme*

<b>Issue Opening Date</b>	[●]
<b>Issue Closing Date</b>	[●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	[●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds</b>	[●]
<b>Credit of Equity Shares to demat accounts of Allottees</b>	[●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	[●]

***Our Board of Directors***

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

Sr. No.	Name and Designation	Age	DIN	PAN Card No.	Address
1.	Mr. Ritesh Vinay Patel (Managing Director)	29 years	05350896	AMYPP815F	17, Satellite Society, Opp. Sundervan, Satellite Road, Ahmedabad- 380015, Gujarat
2.	Mr. Sagar Samir Shah (Executive Director)	25 years	03082957	CKLPS2759H	2-3 Suyog Bungalows, Prahladnagar Garden, Ahmedabad- 380051, Gujarat.
3.	Mrs. Shweta Samir Shah (Non-Executive Director)	47 years	03082967	AQFPS5288K	2 Suyog Bungalow, Vejalpur, Ahmedabad- 38005, Gujarat
4.	Mr. Janesh Kundanlal Vyas (Independent Director)	60 years	03291038	AAJPV8811B	B/403, Riddhi Complex, Jodhpur Village, Ahmedabad- 380015, Gujarat
5.	Mr. Kashyap Hasmukhlal Shah (Independent Director)	46 years	00169746	AJRPS7532D	A/30, Mahesana Nagar Society, Nizampura, Baroda- 390002, Gujarat
6.	Mr. Raxesh Chandravandan Satia (Independent Director)	49 years	00577822	AIFPS9426F	12, Devi Park Society, Vastrapur, Ahmedabad-380015, Gujarat

For detailed profile of our Board of Directors, refer to chapter titled '***Our Management***' on page no. 181 of this Draft Prospectus.

***Company Secretary & Compliance Officer***

<b>Name</b>	:Ms. Hena Shah
<b>Address</b>	:208, Devshruti complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad- 380006
<b>Tel No.</b>	: +91 7926463658/26463659
<b>Email Id</b>	: hena.shah@felixindustries.co

***Chief Financial Officer***

<b>Name</b>	: Mr. Uday Chandulal Shah
<b>Address</b>	: 208, Devshruti complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad- 380006
<b>Tel No.</b>	: +91 7926463658/26463659
<b>Email Id</b>	: uday_shah26@yahoo.com

***Note:***

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, i.e. *Bigshare Services Private Limited* and/ or the Lead Manager, i.e. *Monarch Networth Capital Limited*, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, or/and non-receipt of funds by electronic mode etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediaries to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name of the sole or first Applicant, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the ASBA Application Form was submitted.

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

### ***Lead Manager for The Company***

<b>Name</b>	<b>: MONARCH NETWORTH CAPITAL LIMITED (Earlier known as Networth Stock Broking Limited)</b>
<b>Corporate Office</b>	: MONARCH HOUSE, Opp. Ishwar Bhuwan, Commerce Six Roads, Navrangpura, Ahmedabad- 380014, India
<b>Tel No.</b>	: 079 – 6600 0500 / 700
<b>Fax No.</b>	: 079 - 26666599
<b>Email Id</b>	: shivam.patel@mnclgroup.com
<b>Contact Person</b>	: Mr. Shivam Patel
<b>Website</b>	: www.mnclgroup.com
<b>SEBI Registration No.</b>	: MB/INM000011013
<b>CIN</b>	: L65920MH1993PLC075393

### ***Registrar To The Issue***

<b>Name</b>	<b>: BIGSHARE SERVICES PRIVATE LIMITED</b>
<b>Address</b>	: E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400072. India.
<b>Tel No.</b>	: 022 – 6263 8200
<b>Fax No.</b>	: 022 – 6263 8299
<b>Email Id</b>	: ipo@bigshareonline.com
<b>Contact Person</b>	: Mr. Jibu John
<b>Website</b>	: www.bigshareonline.com
<b>SEBI Registration No.</b>	: INR000000221
<b>CIN</b>	: U99999MH1994PTC076534

### ***Legal Advisor To The Company***

<b>Name</b>	<b>: Samvitti Legal</b>
<b>Address</b>	: 906, Sakar V, Behind Natraj Cinema, Ashram Road, Ahmedabad – 380009. Gujarat.
<b>Tel No.</b>	: 079 – 4891 6521
<b>Email Id</b>	: shreyadesai@samvittilegal.com
<b>Contact Person</b>	: Shreya Desai
<b>Certificate of Practice No.</b>	Mah/1453/2009

***Auditor of The Company (Peer Review Auditor)***

<b>Name</b>	<b>:M/S. S.N. SHAH &amp; ASSOCIATES, CHARTERED ACCOUNTANT</b>
<b>Address</b>	: Sapan, 10-B Government Servant Society, Opp. Municipal Market, C.G. Road, Ahmedabad -380009, Gujarat
<b>Tel No.</b>	:+91 79 - 40098280
<b>Contact Person</b>	: Mr. Firoj G. Bodla
<b>Membership No.</b>	: 126770
<b>Firm Registration No.</b>	: 109782W

***Statutory Auditor of The Company***

<b>Name</b>	<b>:M/S. S.N. SHAH &amp; ASSOCIATES, CHARTERED ACCOUNTANT</b>
<b>Address</b>	: Sapan House, 10-B Government Servant Society, Opp. Municipal Market, C.G. Road, Ahmedabad -380009, Gujarat
<b>Tel No.</b>	: 079 – 4009 8280
<b>Contact Person</b>	: CA S. N. Shah
<b>Membership No.</b>	: 126770
<b>Firm Registration No.</b>	: 109782W

***Banker(S) To The Company***

<b>Name</b>	<b>: BANK OF BARODA</b>
<b>Address</b>	: Bank of Baroda Towers, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006
<b>Contact Person</b>	: P. K. Shrivastava
<b>Tel No.</b>	: 079- 2647 3110
<b>Fax No.</b>	: 079 – 2642 1726
<b>Email Id</b>	: lawahm@bankofbaroda.com
<b>Website</b>	: www.bankofbaroda.com

<b>Name</b>	<b>: ICICI BANK LIMITED</b>
<b>Address</b>	: 2/1, Ground Floor, Popular House, Ashram Road, Ahmedabad - 380009
<b>Contact Person</b>	: Smita Ratnani
<b>Tel No.</b>	: 079-3366 7777
<b>Email Id</b>	: smita.ratnani@icicibank.com
<b>Website</b>	: www.icicibank.com

***Underwriter (S) To The Issue***

<b>Name</b>	<b>:MONARCH NETWORTH CAPITAL LIMITED (Earlier known as Networth Stock Broking Limited)</b>
<b>Address</b>	:MONARCH HOUSE, Opp. Ishwar Bhuwan, Commerce Six Roads, Navrangpura, Ahmedabad- 380014, India
<b>Contact Person</b>	: Mr. Shivam Patel
<b>Tel No.</b>	: 079 – 6600 0500 / 700
<b>Fax No.</b>	: 079 - 26666599
<b>Email Id</b>	: shivam.patel@mnclgroup.com
<b>Website</b>	:www.mnclgroup.com
<b>SEBI Registration No.</b>	: MB/INM000011013
<b>CIN</b>	: L65920MH1993PLC075393



**Market Marker(S) To The Issue**

<b>Name</b>	<b>:MONARCH NETWORTH CAPITAL LIMITED (Earlier known as Networth Stock Broking Limited)</b>
<b>Address</b>	:MONARCH HOUSE, Opp. Ishwar Bhuwan, Commerce Six Roads, Navrangpura, Ahmedabad- 380014, India
<b>Tel No.</b>	: 079 – 6600 0500 / 700
<b>Fax No.</b>	: 079 - 26666599
<b>Email Id</b>	: shivam.patel@mnclgroup.com
<b>Contact Person</b>	: Mr. Shivam Patel
<b>Website</b>	:www.mnclgroup.com
<b>SEBI Registration No.</b>	: INZ000008037
<b>CIN</b>	: L65920MH1993PLC075393

**Banker(S) To The Issue/ Escrow Collection Bank/Refund Bank**

<b>Name</b>	: [●]
<b>Address</b>	: [●]
<b>Tel No.</b>	: [●]
<b>Fax No.</b>	: [●]
<b>Email Id</b>	: [●]
<b>Contact Person</b>	: [●]
<b>Website</b>	: [●]
<b>SEBI Registration No.</b>	: [●]

**Self Certified Syndicate Banks (SCSB's)**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/pmd/scsb.html>. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

**Statement of Responsibility of the Lead Manager/ Statement of inter se allocation of responsibilities**

Since Monarch Network Capital Limited is the sole Lead Manager to the Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

**Credit Rating**

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

**Trustees**

This is being an Issue of Equity Shares; the appointment of trustee is not required.

**IPO Grading**

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

**Brokers to the Issue**

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

**Inter-Se Allocation of Responsibilities**

Since Monarch Network Capital Ltd. is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

**Expert Opinion**

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

Our Company has received consent from the Statutory Auditors of the Company to include their name as an expert in this Draft Prospectus in relation to the (a) Statutory Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Prospectus.

**Appraisal and Monitoring Agency**

As per Regulation 16(1) of SEBI (ICDR) Regulations the requirement of Monitoring Agency is not mandatory if the issue size is below Rs 500 Crore. Since this Issue Size is only of Rs. 560 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the SEBI(LODR) Regulations, 2015 to be entered into with NSE upon listing of the Equity Shares and the corporate governance requirements, inter-alia, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

**Underwriting Agreement**

This Issue is 100% Underwritten. The Underwriting agreement is dated July 05, 2017. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriters	No. of Equity Shares underwritten	Amount Underwritten (Rs. in lacs)	% of the total Issue Size Underwritten
<b>MONARCH NETWORTH CAPITAL LIMITED</b> MONARCH HOUSE, Opp. Ishwar Bhuwan, Commerce Six Roads, Navrangpura, Ahmedabad- 380014, India, <b>Ph :</b> 79 26666500, 66000500 <b>Email :</b> shivam.patel@mnclgroup.com <b>Investor Grievance Email:</b> cs@mnclgroup.com <b>Website:</b> www.mnclgroup.com <b>Contact Person:</b> Mr. Shivam Patel <b>SEBI Registration No.</b> MB/INM000011013 <b>CIN No:</b> L65920MH1993PLC075393	13,65,000	477.75	100
<b>Total</b>	<b>13,65,000</b>	<b>477.75</b>	<b>100</b>

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

**Details of the Market Making Arrangement for the Issue**

Our Company and the Lead Manager have entered into an agreement dated July 06, 2017, with the Market Maker – Monarch Network Capital Ltd., duly registered with NSE Limited to fulfill the obligations of Market Making.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2009, and its amendments thereto and the circulars issued by the NSE and SEBI regarding this matter from time to time.

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

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

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead

Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding 5 (Five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

11. **Risk containment measures and monitoring for Market Makers:** Emerge platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
12. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
13. In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it was decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

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

14. **Punitive Action in case of default by Market Makers:** NSE Emerge Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non- compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership.

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

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus is set forth below:

(Amt in Rs.)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue price
<b>A.</b>	<b>Authorized Share Capital</b>		
	52,00,000 Equity Shares of Rs. 10/- each	5,20,00,000	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	37,25,000 Equity Shares of Rs. 10/- each	3,72,50,000	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus*</b>		
	Issue of 13,65,000 Equity Shares of face value of Rs. 10/- each at a Issue price of Rs.35/- per Equity Share	<b>1,36,50,000</b>	<b>4,77,75,000</b>
	<i>Which comprises:</i>		
	(a) <b>Reservation for Market Maker(s)</b> 69,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 35/- per Equity Share	6,90,000	24,15,000
	(b) <b>Net Issue to the Public</b> of 12,96,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 35/- per Equity Share	<b>1,29,60,000</b>	<b>4,53,60,000</b>
	<b>Of the Net Issue to the Public</b>		
	6,48,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 35/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. <b>2.00 Lakhs (Retail Investors)</b>	64,80,000	2,26,80,000
	6,48,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 35/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs. <b>2.00 Lakhs (Non-Retail Investors)</b>	64,80,000	2,26,80,000
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	50,90,000 Equity Shares of Rs. 10/- each	5,09,00,000	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		0
	After the Issue		3,41,25,000

*\*The Present Issue has been authorized pursuant to a resolution of our Board dated May 15, 2017 and by Special Resolution passed under Section 23(1)(a) and 62(1) (c ) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of our shareholders held on June 10, 2017.*

## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of increase in Authorized Share Capital:

Since the incorporation of our Company, the authorized Share Capital of our Company has been altered in the manner set forth below:

Sr. No.	Date of the Meeting	Particulars		Type of Meeting
		From	To	
1.	On Incorporation	---	1,00,000 Equity Shares of Rs. 10 each	-
2.	07/03/2015	1,00,000 Equity Shares of Rs. 10 each	2,50,000 Equity Shares of Rs. 10 each	EGM
3.	31/08/2016	2,50,000 Equity Shares of Rs. 10 each	25,00,000 Equity Shares of Rs. 10 each	EGM
4.	06/03/2017	25,00,000 Equity Shares of Rs. 10 each	52,00,000 Equity Shares of Rs. 10 each	EGM

### 2. Share Capital History of the Company

Sr. no.	Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature of / Reasons for Allotment
1	As per Memorandum	10,000	10,000	10	10	Cash	1,00,000	On Subscription to MOA
2	14-July-2014	90,000	1,00,000	10	10	Cash	10,00,000	Right Issue
3	28-March-2015	1,50,000	2,50,000	10	10	Cash	25,00,000	Further Allotment
4	03-September-2016	1,75,000	4,25,000	10	NA	Other than Cash	42,50,000	Bonus Issue
5	05-October-2016	20,00,000	24,25,000	10	10	Cash	2,42,50,000	Preferential Allotment
6	17-March-2017	13,00,000	37,25,000	10	10	Cash	3,72,50,000	Right Issue

Subscribers to MOA are as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1.	Ritesh Vinay Patel	5,000
2.	Mayuri V. Patel	5,000
		<b>10,000</b>

The list of allottees to whom the rights shares were issued as on 14<sup>th</sup> July, 2014 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1	Ritesh Vinay Patel	45,000
2	Mayuri V. Patel	45,000
		<b>90,000</b>

The list of allottees to whom the further shares were issued as on 28<sup>th</sup> March, 2015 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1.	Ritesh Vinay Patel	1,50,000
		<b>1,50,000</b>

The list of allottees to whom the bonus shares were issued in the ratio of 10:7 as on 3<sup>rd</sup> September, 2016 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1.	Ritesh Vinay Patel	1,40,000
2.	Mayuri V. Patel	35,000
		<b>1,75,000</b>

The list of allottees to whom shares were allotted on Preferential Allotment on 5<sup>th</sup> October, 2016 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1.	Ritesh Vinay Patel	7,51,000
2.	Sagar Samir Shah	12,49,000
		<b>20,00,000</b>

The list of allottees to whom the rights shares were issued on 17<sup>th</sup> March, 2017 is as follows:

Sr. No.	Name of the Allotees	No. of shares Allotted
1.	Ritesh Vinay Patel	6,50,000
2.	Sagar Samir Shah	6,50,000
		<b>13,00,000</b>

### 3. *Equity Shares issued for consideration other than cash by Our Company:*

Except for as mentioned above, our Company has not issued any other equity shares for consideration other than cash.



#### 4. Capital Build up of the Promoters

Name of the Allottee's	Date of Allotment	No. of Equity Shares Allotted	FV (Rs.)	Issue Price (Rs.)	Consideration	Source of funds*	% of the Paid-up Capital	
							Pre-Issue	Post-Issue
<b>Mr. Ritesh Vinay Patel</b>	18-Sep-12	5,000	10	10	On Incorporation	Savings	0.13	0.1
	14-Jul-14	45,000	10	10	Rights Issue	Savings	1.20	0.88
	28-Mar-15	1,50,000	10	10	Further Allotment	Borrowings <sup>(1)</sup>	4.02	2.95
	03-Sep-16	1,40,000	10	NA	Bonus Issue	Not Applicable	3.76	2.75
	07-Sep-16	(1000)	10	10	Transfer to Sagar Samir Shah	-	(0.02)	(0.02)
	05-Oct-16	7,51,000	10	10	Preferential Allotment	Rs.75,00,000- Borrowings <sup>(2)</sup> Rs.10,00,000- Savings	20.16	14.75
	13-Feb-17	(1000)	10	10	Transfer to Charmi Ramani	-	(0.02)	(0.02)
	13-Feb-17	(1000)	10	10	Transfer to Vinay Patel	-	(0.02)	(0.02)
	17-Mar-17	6,50,000	10	10	Rights Issue	Borrowings <sup>(3)</sup>	17.45	12.77
	<b>Total</b>	<b>17,38,000</b>					<b>46.66</b>	<b>34.14</b>
<b>Mr. Sagar Samir Shah</b>	07-Sep-16	1000	10	10	Transfer from Ritesh Vinay Patel	Savings	0.02	0.02
	05-Oct-16	12,49,000	10	10	Preferential Allotment	Rs.1,00,00,000- Borrowings <sup>(4)</sup> Rs.12,49,000- Savings	33.53	24.54
	13-Feb-17	(1000)	10	10	Transfer to Samir Shah	-	(0.02)	(0.02)
	13-Feb-17	(1000)	10	10	Transfer to Shweta Samir Shah	-	(0.02)	(0.02)
	17-Mar-17	6,50,000	10	10	Rights Issue	Borrowings <sup>(5)</sup>	17.44	12.77
	<b>Total</b>	<b>18,98,000</b>					<b>50.95</b>	<b>37.29</b>
<b>Total Promoter Holding</b>		<b>36,36,000</b>					<b>97.61</b>	<b>71.43</b>

#### Details of Borrowings

##### Mr. Ritesh Vinay Patel

	Particulars	Amount	Address
Borrowings <sup>(1)</sup>	Uday Chandulal Shah	Rs.6,00,000	Ahmedabad, Gujarat
	Kanisha Uday Shah	Rs.5,00,000	Ahmedabad, Gujarat
	Rajvi Uday Shah	Rs.4,00,000	Ahmedabad, Gujarat
Borrowings <sup>(2)</sup>	Samir Rohit Shah	Rs.75,00,000	Ahmedabad, Gujarat

Borrowings <sup>(3)</sup>	Tirupati Trade and Finance	Rs.65,00,000	Ahmedabad, Gujarat
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**Mr. Sagar Samir Shah**

	Particulars	Amount	Address
Borrowings <sup>(4)</sup>	Nayan R. Shah	Rs.1,00,00,000	Ahmedabad, Gujarat
Borrowings <sup>(5)</sup>	Tirupati Trade and Finance	Rs.65,00,000	Ahmedabad, Gujarat

\*Sources of Promoters Contribution was certified by Statutory Auditors of the Company, S. N. Shah & Associates, Chartered Accountants, pursuant to their certificate dated July 05, 2017.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

None of the Equity Shares held by our Promoters are pledged.

**5. Capital Build up of the Promoter Group**

Name of the Allottee's	Date of Allotment/ Transfer	No. of Equity Shares Allotted	FV (Rs.)	Issue Price (Rs.)	Consideration	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
<b>Mrs. Mayuri V. Patel</b>	18-Sep-12	5,000	10	10	On Incorporation	0.13	0.1
	14-Jul-14	45,000	10	10	Rights Issue	1.21	0.88
	03-Sep-16	35,000	10	NA	Bonus Issue	0.94	0.69
	<b>Total</b>	<b>85,000</b>				<b>2.28</b>	<b>1.67</b>
<b>Mrs. Shweta Samir Shah</b>	13-Feb-17	1,000	10	10	Transfer from Sagar Samir Shah	<b>0.03</b>	<b>0.02</b>
<b>Mr. Vinay Patel</b>	13-Feb-17	1,000	10	-	Transfer	<b>0.03</b>	<b>0.02</b>
<b>Mr. Samir Shah</b>	13-Feb-17	1,000	10	-	Transfer	<b>0.03</b>	<b>0.02</b>
<b>Mrs. Charmi Ramani</b>	13-Feb-17	1,000	10	-	Transfer	<b>0.02</b>	<b>0.02</b>
<b>Total Promoter Group Holding</b>		<b>89,000</b>				<b>2.39</b>	<b>1.75</b>

**6. Details of Promoters' contribution and Lock-in**

As per Regulation 32(1)(a) and 36(a) of the SEBI (ICDR) Regulations, 2009, and in terms of the aforesaid table, an aggregate of 20% of the post-issue equity share capital of our Company ('minimum Promoters' contribution') shall be locked in by our Promoters for a period of 3 (Three) years from the date of Allotment.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2009.

Our Company has obtained written consents dated June 24, 2017 from our Promoters for the lock-in of 10,18,000 equity shares for a period of 3 (Three) years from the date of Allotment in the Issue. The details of the equity shares held by our Promoters, which are locked in for a period of 3 (Three) years from the date of Allotment in the Issue are given below:

**Promoter Contribution and Lock-in Details****For 3 Years**

Name of the Promoter	Date of Allotment of Fully Paid-up Shares	No. of Equity Shares Locked-in	Nature of Issue/ Acquisition	FV (Rs.)	Issue Price (Rs.)	% of the Paid-up Capital	
						Pre-Issue	Post- Issue
<b>Mr. Ritesh Vinay Patel</b>	18-Sep-12	5,000	Subscription to MOA on Incorporation	10	10	0.13	0.1
	14-Jul-14	45,000	Rights Issue	10	10	1.21	0.88
	28-Mar-15	1,50,000	Further Allotment	10	10	4.03	2.95
	03-Sep-16	1,40,000	Bonus Issue	-	-	3.76	2.75
	05-Oct-16	1,69,000	Preferential Allotment	10	10	4.54	3.32
<b>Mr. Sagar Samir Shah</b>	05-Oct-16	5,09,000	Preferential Allotment	10	10	13.66	10
<b>Total Lock-in</b>		<b>10,18,000</b>				<b>27.33</b>	<b>20</b>

The Equity Shares that are being locked in are not ineligible for computation of Promoter's contribution in terms of Regulation 33 of the SEBI (ICDR) Regulations, 2009. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Issue.

We confirm that the minimum Promoters' contribution of 20% which is subject to lock-in for 3 (Three) years does not consist of:

- Equity shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- Equity shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue;

**Note :-** Out of 1018000 equity shares to be kept under lock-in for the period of 3 years under the provisions of the SEBI (ICDR) Regulations, 2009, 678000 equity shares are allotted to promoters during the preceding one year at price lower than the price at which equity shares are being offered to public in the Issue, therefore, the promoters hereby confirm and undertake that if they come out with the proposed IPO on or before 6<sup>th</sup> October, 2017, they would pay to the issuer, the difference between the price at which the equity shares are offered in the IPO and the price at which the equity shares had been acquired or the issuer will come out with the SME IPO on or after 6<sup>th</sup> October, 2017.

- Equity shares pledged with any creditor.

Further, (i) no equity shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013 and (ii) our Company has not been formed by the conversion of a partnership firm into a company.

The share certificates for the equity shares in physical form, which are subject to lock-in, shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories.

***Equity shares locked-in for one year***

As per Regulation 36(b) of the SEBI (ICDR) Regulations, 2009, in addition to 20% of the post-issue shareholding of our Company ('minimum Promoters' contribution') locked-in for 3 (Three) years, the balance equity shares, i.e. 26,18,000 equity shares, held by the Promoters in excess of minimum Promoters' contribution shall be **locked in for a period of 1 (One) year** from the date of Allotment in the Issue. Further, such lock-in of the equity shares would be created as per the bye laws of the Depositories.

Also, as per Regulation 37 of the SEBI (ICDR) Regulations, 2009, the entire pre-issue equity share capital of the Company held by persons other than Promoters shall be locked-in for a period of 1 (One) year.

*For 1 year*

Name of the Promoter	Date of Allotment of Fully Paid-up Shares	No. of Equity Shares Locked-in	Nature of Issue/ Acquisition	FV (Rs.)	Issue Price (Rs.)	% of the Paid-up Capital	
						Pre-Issue	Post- Issue
<b>Mr. Ritesh Vinay Patel</b>	05-Oct-16	5,82,000*	Preferential Allotment	10	10	15.62	11.43
	17-Mar-17	6,50,000	Rights Issue	10	10	17.45	12.77
		(3,000)	Transferred**	10	10	(0.08)	(0.06)
		<b>12,29,000</b>				<b>32.99</b>	<b>24.14</b>
<b>Mr. Sagar Samir Shah</b>	07-Sep-16	1000	Transfer from Ritesh Patel	10	10	0.03	0.02
	05-Oct-16	7,40,000 <sup>#</sup>	Further Allotment	10	10	19.86	14.54
	17-Mar-17	6,50,000	Rights Issue	10	10	17.45	12.77
		(2000)	Transferred <sup>##</sup>	10	10	(0.05)	(0.04)
		<b>13,89,000</b>				<b>37.29</b>	<b>27.29</b>
<b>Mrs. Mayuri V. Patel</b>	18-Sep-12	5000	Subscription to MOA on Incorporation	10	10	0.13	0.1
	14-Jul-14	45000	Rights Issue	10	10	1.21	0.88
	03-Sep-16	35000	Bonus Issue	10	10	0.94	0.69
		<b>85000</b>				<b>2.28</b>	<b>1.67</b>
<b>Mrs. Shweta Samir Shah</b>	13-Feb-17	1,000	Transfer from Sagar Samir Shah	10	10	0.03	0.02
<b>Mr. Vinay Patel</b>	13-Feb-17	1,000	Transfer	10	10	0.03	0.02
<b>Mr. Samir Shah</b>	13-Feb-17	1,000	Transfer	10	10	0.03	0.02
<b>Mrs. Charmi Ramani</b>	13-Feb-17	1,000	Transfer	10	10	0.02	0.02
<b>Total Lock-in</b>		<b>27,07,000</b>				<b>72.67</b>	<b>53.18</b>

\*Out of total 7,51,000 shares that were allotted on October 05, 2016 on Preferential Allotment basis, 1,69,000 shares are locked in for 3 years and remaining 5,82,000 shares are locked in for 1 year.

\*\*Total 3000 shares were transferred from Mr. Ritesh Vinay Patel in the tranches of 1000 shares dated Sept 07, 2016 to Mr. Sagar Samir Shah; 1000 shares to Charmi Ramani dated February 13, 2017 and 1000 shares to Vinay Patel dated February 13, 2017.

<sup>#</sup>Out of total 12,49,000 shares that were allotted on October 05, 2016 on Preferential Allotment basis to Mr. Sagar Samir Shah, 5,09,000 shares are locked in for 3 years and remaining 7,40,000 shares are locked in for 1 year.

<sup>##</sup> Total 2000 shares were transferred from Mr. Sagar Samir Shah in the tranches of 1000 shares dated February 13, 2017 to Shweta Shah and Samir Shah respectively.

***Other requirements in respect of 'lock-in'***

In terms of Regulation 40 of the SEBI (ICDR) Regulations, 2009, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI (ICDR) Regulations, 2009, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, 2009, 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, 2009, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

In terms of Regulation 39 of the SEBI (ICDR) Regulations, 2009, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of Regulation 36(a) of the SEBI (ICDR) Regulations, 2009, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of Regulation 36(b) of the SEBI (ICDR) Regulations, 2009 and the pledge of specified securities is one of the terms of sanction of the loan.

## 7. Our Shareholding Pattern

The table below presents the current shareholding pattern of our Company as per Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### Summary Statement – Holding of Specified Securities

Category	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in Equity shares				Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares		Number of equity shares held in dematerialized form
						Shareholding as a % of total no. of shares	No of Voting Rights (Pre-issue)				No (a)	As a % of total Shares held (b)	
							Equity Shares	Total	Total as% of (A+B+C)				
(A)	Promoter & Promoter Group	7	3725000	3725000	100	73.18	3725000	3725000	100	100	Nil	Nil	3636000
(B)	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C)	Non Promoter - Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	7	3725000	3725000	100	73.18	3725000	3725000	100	100	Nil	Nil	3636000



*Statement showing shareholding pattern of Promoter and Promoter Group*

	Category & Name of the Shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in equity shares			Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of equity shares held in dematerialized form
						No of Voting Rights				No (a)	As a % of total Shares held (b)	
						Equity shares	Total	Total as % of (A)				
1	Indian											
(a)	Individuals/ Hindu undivided Family	7										
	Mr. Sagar Samir Shah		1898000	1898000	50.95	1898000	1898000	50.95	50.95	Nil	Nil	1898000
	Mr. Ritesh Vinay Patel		1738000	1738000	46.65	1738000	1738000	46.65	46.65	Nil	Nil	1738000
	Mrs. Mayuri V. Patel		85000	85000	2.28	85000	85000	2.28	2.28	Nil	Nil	Nil

	Mrs. Shweta Samir Shah		1000	1000	0.03	1000	1000	0.03	0.03	Nil	Nil	Nil
	Mr. Samir Shah		1000	1000	0.03	1000	1000	0.03	0.03	Nil	Nil	Nil
	Mr. Vinay Patel		1000	1000	0.03	1000	1000	0.03	0.03	Nil	Nil	Nil
	Mrs. Charmi Ramani		1000	1000	0.03	1000	1000	0.03	0.03	Nil	Nil	Nil
(b)	<b>Central Government / State Government (s)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	<b>Financial Institutions/ Banks</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	<b>Any Other</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>3725000</b>	<b>3725000</b>	<b>100.00</b>	<b>3725000</b>	<b>3725000</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>	<b>3636000</b>
2	<b>Foreign</b>											
(a)	<b>Individuals (Non-Resident Individuals/ Foreign Individuals)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	<b>Government</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	<b>Institutions</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>

(d)	<b>Foreign Portfolio Investor</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
(f)	<b>Any Other (specify)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
	<b>Sub-Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>7</b>	<b>3725000</b>	<b>3725000</b>	<b>100.00</b>	<b>3725000</b>	<b>3725000</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>	<b>3636000</b>

**Statement Showing Shareholding Pattern of Public**

	Category & Name of the Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in equity shares			Share-holding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares		Number of equity shares held in dematerialized form
						No of Voting Rights				No (a)	As a % of total Shares held (b)	
						Equity shares	Total	Total as% of total voting rights				
1	Institutions											
(a)	Mutual Funds/	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Alternate Investment Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Foreign Portfolio Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(h)	<b>Provident Funds/ Pension Funds</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i)	<b>Any Other (specify)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2	<b>Central Government / State Government (s)/ President of India</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
3	<b>Non-institutions</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(a)	<b>Individuals -</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Others less than 1 %</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	Others less than 1 %	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	<b>NBFCs registered with RBI</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	<b>Employee Trusts</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	<b>Overseas Depositories (holding DRs) (balancing figure)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	<b>Any Other (specify)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Hindu Undivided Family (HUF)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B)(3)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2) +(B)(3)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

*\*None of the shares are partly paid up*

*\*None of the shares are underlying Depository Receipts*

*\*None of the shares are underlying Outstanding Convertible Securities (including warrants)*

*\*None of the shares are/have been Pledged*

Our Company will file the shareholding pattern of our Company, in the form prescribed under SEBI (LODR) Regulations, 2015, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

- a) As on the date of this Draft Prospectus, there are no partly paid-up shares/ outstanding convertible securities/ warrants in our Company.
- b) The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares: NIL
- c) The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 5% of the total number of shares: NIL
- d) There are no equity shares against which depository receipts have been issued.
- e) Other than the equity shares, there are no other class of securities issued by our Company.

**8. The shareholding pattern of our Company showing the aggregate shareholding of Promoters and Promoter Group before and after the Issue is set forth below:**

Sr. No.	Name of the Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Issued Equity	No. of equity shares	As a % of Issued Equity
<b>A</b>	<b>Promoters</b>				
1	Mr. Ritesh Vinay Patel	17,38,000	46.65%	17,38,000	34.14
2	Mr. Sagar Samir Shah	18,98,000	50.95%	18,98,000	37.29
	<b>Total (A)</b>	<b>36,36,000</b>	<b>97.60%</b>	<b>36,36,000</b>	<b>71.43</b>
<b>B</b>	<b>Promoter Group &amp; Relatives</b>				
1	Mrs. Mayuri V. Patel	85,000	2.28%	85,000	1.67
2	Mrs. Shweta Samir Shah	1,000	0.03%	1,000	0.02
3	Mr. Vinay Patel	1,000	0.03%	1,000	0.02
4	Mr. Samir Shah	1,000	0.03%	1,000	0.02
5	Mrs. Charmi Ramani	1,000	0.03%	1,000	0.02
	<b>Total (B)</b>	<b>89,000</b>	<b>2.36%</b>	<b>89,000</b>	<b>1.75</b>
<b>C</b>	<b>Other Associates Acting in Concert</b>	-	-	-	-
	<b>Total (C)</b>	-	-	-	-
<b>D</b>	<b>TOTAL (A+B+C)</b>	<b>37,25,000</b>	<b>100.00%</b>	<b>37,25,000</b>	<b>73.18</b>

9. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
10. Till date our Company has not made any allotment of Equity Shares pursuant to any scheme approved under section 391- 394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.



11. Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines, 1999.
12. Our Company has issued Equity Shares during a period of one year preceding the date of this Draft Prospectus at a price lower than the Issue price. The details for the same have been mentioned under “Share Capital History of the Company” on page no. 65
13. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six 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 otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use equity shares as a currency for acquisition or participation in such joint ventures.
14. During the past 6 (Six) months immediately preceding the date of this Draft Prospectus, there has been transactions in our equity shares, which have been purchased/ sold/ transferred by our Promoters, their relatives and associates, persons in Promoter Group as defined under Regulation 2(1)(zb) of SEBI (ICDR) Regulations, 2009] or the directors of the company which is a Promoter of the Company and/or the Directors of the Company. The details for the same have been mentioned under “Share Capital History of the Company” on page no. 65.
15. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the 6 (Six) months preceding the date of this Draft Prospectus .
16. Our Company, our Promoters, our Directors and the Lead Manager to the Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
17. There are no safety net arrangements for the Issue.
18. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post issue paid-up capital is locked in.
19. In case of over-subscription in all categories the allocation in the Issue shall be in accordance with the requirements of regulation 43(4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
20. Under-subscription, if any, in any portion would be met out of the spillover from other categories at the sole discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange.
21. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our equity shares.

22. All the equity shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
23. As per RBI regulations, OCBs are not allowed to participate in the Issue.
24. The Issue is being made through Fixed Price method.
25. **Particulars of top ten shareholders:**

*(a) As on the date of this Draft Prospectus:*

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Ritesh Vinay Patel	17,38,000	46.68
2.	Mrs. Mayuri V. Patel	85,000	2.29
3.	Mr. Sagar Samir Shah	18,98,000	50.95
4.	Mrs. Shweta Samir Shah	1,000	0.02
5.	Mr. Vinay Patel	1,000	0.02
6.	Mr. Samir Shah	1,000	0.02
7.	Mrs. Charmi Ramani	1,000	0.02
	<b>Total</b>	<b>37,25,000</b>	<b>100.00</b>

*(b) 10 days prior to the date of this Draft Prospectus:*

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Ritesh Vinay Patel	17,38,000	46.68
2.	Mrs. Mayuri V. Patel	85,000	2.29
3.	Mr. Sagar Samir Shah	18,98,000	50.95
4.	Mrs. Shweta Samir Shah	1,000	0.02
5.	Mr. Vinay Patel	1,000	0.02
6.	Mr. Samir Shah	1,000	0.02
7.	Mrs. Charmi Ramani	1,000	0.02
	<b>Total</b>	<b>37,25,000</b>	<b>100.00</b>

*(c) 2 years prior to the date of filing this Draft Prospectus:*

Sr. No.	Name Of The Shareholders	No. Of Shares	% of the Pre-Issue Capital
1.	Mr. Ritesh Vinay Patel	2,00,000	5.37
2.	Mrs. Mayuri V. Patel	50,000	1.34
	<b>Total</b>	<b>2,50,000</b>	<b>6.71</b>

26. Our Company has not raised any bridge loan against the proceeds of the Issue.
27. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
28. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.

29. An Applicant cannot make an application for more than the number of Equity Shares being issued through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
30. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in the Issue.
31. We have 07 shareholders as on the date of filing of this Draft Prospectus.
32. None of the other Promoters and members of our Promoter Group will participate in this Issue.
33. Our Company has not made any public issue since its incorporation.
34. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of this Draft Prospectus
35. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
36. For the details of transactions by our Company with our Promoter Group, Group Companies during the last five financial years i.e. 2017, 2016, 2015, 2014 and 2013 refer to paragraph titled '**Annexure 14: Statement of Related Parties' Transactions**' in the chapter titled 'Restated Financial Statement' beginning on page no. 213 of this Draft Prospectus .
37. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled '**Our Management**' beginning on page no. 181 of this Draft Prospectus.
38. None of our Promoters, Promoter Group, Directors and their relatives has entered into any arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
39. The unsubscribed portion in any reserved category may be added to any other reserved category.
40. The unsubscribed portion, if any after such interse adjustments among the reserved categories shall be added back to the net offer to the public portion.
41. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

This Issue is being undertaken to meet the objects, as set forth herein, and to realize the benefits of listing of our Equity Shares on Stock Exchanges, which in our opinion would enhance our Company's visibility, brand name and enable us to avail of future growth opportunities. The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on NSE EMERGE Platform.

The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

1. Building & Construction Cost;
2. Procurement of Machineries;
3. Furniture and Fixtures
4. Working Capital Requirement
5. General Corporate Purpose
6. Issue Expense

Further, we believe that the listing of our Equity Shares will enhance our visibility and brand name among existing and potential customers.

The Company is into Water and Waste Water Treatment and Management, E-waste Recycling, and the same division is being expanded by the Company at its new site at Plot No. 123, Devraj Industrial Park, Piplaj – Pirana Road, Lambha, Ahmedabad – 380011. The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Our funding requirements are dependent on a number of factors, which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

### FUND REQUIREMENTS

Breakup of the total fund requirement for the Project work in progress is set forth below:

*(Rs. In Lakhs)*

Sr. No.	Particulars	Total
<b>Project Work in Progress:</b>		
1.	Land acquisition	71.72
2.	Building & Construction cost	140.00
3.	Procurement of Machineries	65.80
4.	Furniture and Fixtures	36.14
	<b>Sub-Total (A)</b>	<b>313.66</b>
<b>Others:</b>		
5.	Working capital Requirements	175.77
6.	General Corporate Purpose	50.00
7.	Issue Expenses	40.00
	<b>Sub-Total (B)</b>	<b>265.77</b>
	<b>TOTAL (A+B)</b>	<b>579.43</b>

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount	% of the total Issue size
<b>Project Work in Progress:</b>			
1.	Building & Construction cost	111.84	23.41
2.	Procurement of Machineries	65.80	13.77
3.	Furniture and Fixtures	36.14	7.56
<b>Others</b>			
4.	Working capital Requirements	175.77	36.79
5.	General Corporate Purpose	50.00	10.47
6.	Issue Expenses	38.20	8.00
	<b>Total</b>	<b>477.75</b>	<b>100</b>

The fund requirements mentioned above are based on internal management estimates of our Company and the Lead Manager do not have any opinion on the justification for the same with regards to its exact requirement or appraised by any bank, financial institution or any other external agency. They 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, cost of commodities and interest or exchange rate fluctuations. The figures are relied on the documentary evidences provided by the Company, upto the extent available. 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 issue proceeds as stated above, our Company may re-allocate the issue proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the issue proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

#### MEANS OF FINANCE

(Rs. In Lakhs)

Sr. No.	Particulars	Amount
1.	Public Issue Proceeds	477.75
2.	Internal Accruals	101.68
	<b>Total</b>	<b>579.43</b>

*We propose to meet the entire requirement of funds for the Objects from the Net Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through Issue Proceeds or Internal Accruals is not applicable.*

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation

and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 17 of the Draft Prospectus.

## FUNDS DEPLOYED

### Details of funds already deployed till date and sources of funds deployed

(Rs. In Lakhs)

Sr. No.	Particulars	Funds already Deployed	Funds to be Deployed	Total Funds Required
	<b>Project Work in Progress:</b>			
1.	Land	71.72 <sup>(i)</sup>	-	71.72
2.	Building & Construction cost	28.16 <sup>(ii)</sup>	111.84	140.00
3.	Procurement of Machineries	0.00 <sup>(iii)</sup>	65.80	65.80
4.	Furniture and Fixtures	0.00 <sup>(iii)</sup>	36.14	36.14
	<b>Others:</b>			
5.	Working capital Requirements	-	175.77	175.77 <sup>(iv)</sup>
6.	General Corporate Purpose	-	50.00	50.00
7.	Issue Expenses	1.80 <sup>(v)</sup>	38.20	40.00
	<b>Total</b>	<b>101.68</b>	<b>477.75</b>	<b>579.43</b>

- (i) The Company has purchased the land at Plot No. 123, Devraj Industrial Park, Piplaj – Pirana Road, Lambha, Ahmedabad – 380011 pursuant to Sale deed dated January 01, 2017 between Plastworld, a Partnership Firm and Felix Industries Limited at Rs. 71.72 Lakhs including stamp duty and other registration charges of Rs. 5.72 Lakhs.
- (ii) The funds deployed up to June 28, 2017 as certified by the Statutory Auditors of our Company, viz. M/s S. N. Shah & Associates, Chartered Accountants pursuant to their certificate dated June 28, 2017.
- (iii) The Company has not incurred any expense or Procurement of Machineries and Furniture and Fixtures as certified by the Company through their letter dated July 12, 2017.
- (iv) Working Capital requirement as certified by the Statutory Auditors of our Company, viz. M/s S. N. Shah & Associates, Chartered Accountants pursuant to their certificate dated July 31, 2017.
- (v) The funds deployed for Issue Expense up to August 22, 2017 as certified by the Statutory Auditors of our Company, viz. M/s S. N. Shah & Associates, Chartered Accountants pursuant to their certificate dated August 22, 2017.

(Rs. In Lakhs)

Sources of Funds	Source of funds Required	Source of funds Deployed	Source of funds To Be Deployed
By Promoters	101.68	101.68	-
Public Issue	477.75	-	477.75
<b>Total</b>	<b>579.43</b>	<b>101.68</b>	<b>477.75</b>

The Management of the Company, in accordance with the policies set up by the Board, will have flexibility in deploying the Net Proceeds of the Issue.

## DETAILS OF THE REQUIREMENT OF FUNDS

### I. Building & Construction cost:

Our Company proposes to go for expansion of their Waste Water Treatment Division and E- Waste Division for which we require to construct Office Building and Factory building at our land at Plot No. 123, Devraj Industrial Park, Piplaj – Pirana Road, Lambha, Ahmedabad – 380011. The Estimated Cost of Construction is Rs. 140 Lakhs.

The company plans to streamline its water & wastewater operations by developing standardized principal manufacturing of general plants and machineries for sewage treatment and processing drinking/portable water and industrial process through developing prefabricated STP's of various sizes and technologies to fit client's need and expand its reach to make available existing and advanced technologies with controlled treated parameters of sewage. Furthermore, for large scale RO's and plants to treat fresh water and industrial process water, the company plans to design an assembly line for serving efficiently the needs of large scale industrial RO, DM, UF and other municipal/domestic water and industrial process water treatment plants.

The operations of the water and wastewater division apart from customized proprietary technologies and complex effluent treatment and large-scale product recovery and ZLD projects would be developed at this location to target a revenue generation model from such general portable water, sewage and industrial process water treatment plants made available through proven and standardized models of various technologies and sizes.

Apart from this, for the company's core strength of designing and coming up with customized wastewater engineering solutions through thorough analysis and piloting of industrial effluent parameters would be better equipped

The cost has been certified and approved by Shah & Talati, Civil Engineers, wide their certificate dated 29<sup>th</sup> May, 2017.

S. No.	DESCRIPTION – OFFICE BUILDING	AMOUNT
1.	Earth Work	2,21,425
2.	Concrete Work	18,54,975
3.	Masonry Work	7,04,000
4.	Finishing Work	11,48,250
5.	Pavior Work	1121,475
6.	Door / Window Work	4,98,100
7.	Sanitary Work	5,38,525
8.	Miscellaneous	3,82,900
9.	Cement	7,25,000
10.	R/F Steel	9,60,000
	<b>TOTAL (A)</b>	<b>81,54,650</b>
S. No.	DESCRIPTION – FACTORY BUILDING	AMOUNT
1.	Earth Work	2,87,175
2.	Concrete Work	5,66,250
3.	Masonry Work	1,80,000
4.	Finishing Work	95,900
5.	Pavior Work	4,41,000
6.	Door / Window Work	2,32,500
7.	Structural Steel Work	14,27,500
8.	Miscellaneous	4,14,445
9.	Cement	3,76,250



10.	R/F Steel	3,84,000
11.	Structural Steel	10,80,000
12.	Purun	3,50,000
	<b>TOTAL (B)</b>	<b>58,35,020</b>
	<b>GRAND TOTAL*</b>	<b>1,39,89,670</b>

*Round off 1,40,00,000 (Rupees One Crore forty lakhs)*

## II. Procurement of Machineries

Our Company proposes to utilize Rs. 65.80 Lakhs from IPO proceeds towards procurement of Machineries which would be installed at our Plant at Plot No. 123, Devraj Industrial Park, Piplaj – Pirana Road, Lambha, Ahmedabad – 380011 for expansion of our Waste water Division and E-Waste Division.

The Total Cost for Procurement of Machineries would be Rs.65.80 Lakhs (Including total Customs Duty of Rs. 2 Lakh) and the same is based on the quotation of respective Suppliers as mentioned below.

The details of Machineries are set forth below:

Sr.No.	Description Of the Machinery	Supplier Name	Amount
<b>Water &amp; Waste Water Division Machineries</b>			
1	Plat Bending Machine	Swastik Microfab	Rs. 10,00,000 <sup>(i)</sup>
2	Welding Aecessories, Power Tools and Safety.	Adinath Equipments Pvt. Ltd.	Rs.4,97,396 <sup>(ii)</sup>
<b>E-Waste Division Machineries</b>			
3	Over band type Magnetic Separator	Jaykrishna Magnetics Pvt. Ltd.	Rs. 2,55,000 <sup>(iii)</sup>
	Belt Conveyor with Control Panel	Jaykrishna Magnetics Pvt. Ltd.	Rs. 2,05,000 <sup>(iii)</sup>
4	McIntyre Euro-strip 3000 Stripper (Including 1 X Spare set of Blades)	McIntyre	£7,350.00+VAT GBP Equivalent to Rs. 6,50,000*(Approx) <sup>(iv)</sup>
5	Belt Conveyor	Swastik Microfab	Rs.1,35,000 <sup>(i)</sup>
6	Pest West Vapor Vacuum Lamp Compactor	Pest West	\$ 4495.00 equivalent to Rs. 3,00,000*(Approx) <sup>(v)</sup>
7	Twin Shaft Shredder Model LH-1	Alfa-Therm Limited	Rs. 22,00,000 <sup>(vi)</sup>
8	EDDY Current Separator with Drum Type Magnetic Separator.	Jaykrishna Magnetics Pvt. Ltd.	Rs.11,40,000 <sup>(vii)</sup>
		<b>TOTAL</b>	<b>Rs. 63,82,396</b>

*\*Excluding Total Custom Duty of Approximately Rs. 2 Lakhs*

- (i) Based on the Quotation of Swastik Microfab dated April 06, 2017
- (ii) Based on the Quotation of Adinath Equipments Pvt. Ltd. dated June 01, 2017
- (iii) Based on the Quotation of Jaykrishna Magnetics Pvt. Ltd. dated June 01, 2017
- (iv) Based on the Quotation of McIntyre
- (v) Based on the Quotation of PestWest
- (vi) Based on the Quotation of Alfa-Therm Limited dated June 05, 2017
- (vii) Based on the Quotation of Jaykrishna Magnetics Pvt. Ltd. dated June 07, 2017

In relation to purchase of Machineries, we have not entered into any agreement with local Vendor and there can be no assurance that the same Vendor would be engaged to eventually supply the machineries or at the same cost. Further, two machineries are being imported from U.K. hence change in Foreign Currency Exchange Rates

may affect the Cost of the Machine at the time of Purchase/Import. Further, we do not intend to buy any Second Hand Machineries.

### III. *Furniture and fixtures:*

The Company intends to utilize Rs. 36.14 Lakhs from the Issue Proceeds for Furniture and Fixtures at the new Building at Plot No. 123, Devraj Industrial Park, Piplaj – Pirana Road, Lambha, Ahmedabad – 380011.

The details of the work to be done is tabulated below:

S. No.	Description	Amount
1.	Ground Floor Ceiling	71,540
2.	First Floor Ceiling	70,840
3.	Second Floor Ceiling	63,070
4.	Ground Flooring	1,71,840
5.	First & Second Floor Flooring	2,90,860
6.	Third Floor Flooring	1,50,630
7.	Terrace Flooring	91,125
8.	Doors & Partition	5,94,200
9.	Furniture	13,82,200
10.	Fabrication	36,400
11.	Colour	2,39,375
12.	Toilet Fixtures	1,45,500
13.	Electrification	3,06,100
	<b>TOTAL</b>	<b>36,13,680*</b>

*(Rounded of to Rs. 36.14 Lakhs)*

\*Based on the quotation of Architecture Ethos which is certified by Mr. Jignesh Uchadadiya, an Architect, having office at 101, navjeevan Shopping Complex, Civil Char Rasta, Ring Road, Surat, pursuant to their certificate dated June 30, 2017.

As on the date of this Draft Prospectus, the Company has not incurred any expense on Furniture and Fixtures as certified by the Company through their letter dated July 12, 2017.

### IV. *Working Capital Requirement*

The Company's business is working capital intensive and the Company avails majority of its working capital requirement in the ordinary course of its business from its internal accruals and Bank Finance. As on March 31, 2017, the Company's net working capital consisted of Rs. 304 Lakhs. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach 627.62 Lakhs for FY 2017-18.

As of the date of this Draft Prospectus, the Company meets its working capital facility through internal accruals and cash credit facilities from banks. Keeping in mind, the continuous growth of the business and growing demand of Waste Water Treatment and E-Waste Management, we require additional working capital primarily for financing the project work in progress and this business vertical in the long run.

**Basis of estimation of working capital requirement and estimated working capital requirement:**

The detailed calculation of the working capital requirement of the Company based on estimates, post expansion is as given below:

Particulars	Existing As on March 31, 2017	Estimated As on March 31, 2018
<b>Current Assets</b>		
Inventories	93.77	371.26
Trade Receivables	383.36	367.00
Cash and Cash Equivalents	18.69	20.00
Short Term Loans & Advances	31.54	23.48
Other Current Assets	-	70.07
<b>Total Current Assets (A)</b>	<b>527.36</b>	<b>851.81</b>
<b>Current Liabilities (other than short term borrowings)</b>		
Trade Payables	98.36	98.47
Other Current Liabilities	14.92	2.52
Short Term Provisions	9.03	23.20
<b>Total Current Liabilities (B)</b>	<b>122.31</b>	<b>124.19</b>
<b>TOTAL WC REQUIREMENTS (A-B)</b>	<b>405.05</b>	<b>727.62</b>
<b>Funding Pattern:</b>		
WC Facilities from Bank*	101.07	100.00
Internal Accruals	303.98	451.85
Issue Proceeds	-	175.77

\*As on date of this Draft Prospectus, our company has sanctioned facilities (vide Sanction letter dated August 23, 2016) consisting of an aggregate Limit of Rs. 100.00 Lakhs from Bank of Baroda. For further details regarding these facilities, please see the chapter titled “Statement of Financial Indebtedness” beginning on page no. 246 of this Draft Prospectus.

**Basis of estimation of working capital requirement**

Particulars	No. of Months	
Inventory	3.80	Inventories expected for March 31, 2018 has been estimated based on inventory turnover days i.e. 3.8 Months
Debtors	4.00	Trade Receivables expected for March 31, 2018 has been estimated based on inventory turnover days i.e. 4 months
Creditors	1.00	Trade Payables for March 31, 2018 has been estimated based on inventory turnover days i.e. 1 month.

**V. General Corporate Expenses**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes. We intend to deploy Net Issue proceeds aggregating Rs. 50 Lakhs towards the General Corporate Purposes for normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses and strengthening our marketing capabilities to drive our business growth.

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

## VI. Issue Expense

The expenses of this Issue include, among others, underwriting and Issue management fees, Intermediaries fees, printing and stationery expenses, advertisement expenses and legal fees etc. The total estimated expenses are Rs. 40.00 Lakhs which is 8.37 % of Issue Size. The details of Issue expenses are tabulated below:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount	% of the total issue size
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages.	31.00	6.49
2.	Printing & Stationery, Distribution, Postage, etc	2.00	0.42
3.	Advertisement & Marketing Expenses	2.00	0.42
4.	Regulatory expenses and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	5.00	1.04
	<b>Total</b>	<b>40.00</b>	<b>8.37</b>

### SCHEDULE OF IMPLEMENTATION

The Company intends to implement and execute its total object of the Issue in the Financial Year 2018 itself.

The Work already Implemented was certified by Mrs Maitrey G. Talati, for Shah & Talati, Civil Engineers, situated at 9<sup>th</sup> floor, Kirti Tower, Tilak Road, Vadodara – 390001, vide their certificate dated July 15, 2017.

The schedule of Implementation for the Construction Cost is detailed hereunder:

S. No.	DESCRIPTION – OFFICE BUILDING	Schedule of Implementation
1.	Earth Work	In Process
2.	Concrete Work	August – October 2017
3.	Masonry Work	
4.	Cement	
5.	R/F Steel	
6.	Finishing Work	October to November 2017
7.	Pavior Work	
8.	Door / Window Work	
9.	Sanitary Work	
10.	Miscellaneous	November 2017
S. No.	DESCRIPTION – FACTORY BUILDING	
1.	Earth Work	Completed
2.	Concrete Work	
3.	Masonry Work	
4.	Structural Steel Work	
5.	Cement	July to September, 2017
6.	R/F Steel	
7.	Structural Steel	
8.	Purun	August to September 2017
9.	Finishing Work	Completed
10.	Pavior Work	August to September 2017
11.	Door / Window Work	
12.	Miscellaneous	November 2017

## **BRIDGE FINANCING FACILITIES**

As on the date of this Draft Prospectus, we have currently not raised any bridge loans against the Proceeds of the Issue.

## **SHORTFALL OF FUNDS**

In case of any shortfall in the proceeds to meet the objects mentioned above, our management may explore a range of options, including utilizing internal accruals or seeking debt or additional equity. In case of surplus funds either due to lower utilization than what is stated above or surplus Net Proceeds after meeting all the above mentioned objects, such surplus shall be utilized towards general corporate purposes. Alternatively, if surplus funds are unavailable or in the event of cost overruns, we expect that a shortfall will be met by way of such means available to our Company including internal accruals and/or appropriate debt or equity arrangements.

## **APPRAISAL**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

## **INTERIM USE OF FUNDS**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Such deposits will be approved by our management from time to time. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

## **MONITORING OF ISSUE PROCEEDS**

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

**VARIATION IN OBJECTS**

In accordance with Section 27 of the Companies Act, 2013, 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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would 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**

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

## BASIC TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, the Listing Regulations to be entered into with the SME Exchange 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, Depositories Act, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

### **Authority for the Issue**

1. The Issue has been authorized by a resolution by the Board of Directors passed at their meeting held on May 15, 2017.
2. The Issue has been authorized by a resolution by the EGM passed at their meeting held on June 10, 2017.

### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of our Company and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottee's in receipt of Allotment of Equity Shares under the Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details see chapter titled "**Main Provisions of Articles of Association**" on page no. 348 of this Draft Prospectus.

### **Face Value and Issue Price per Share**

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Prospectus at a price of Rs. 35/- per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Minimum Application Value, Market Lot and Trading Lot**

As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories Act, 1996 and the regulations made there under, thus, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form to all investors.

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and Allotment of Equity Shares through the Issue will be done in multiples of 4,000 Equity Share subject to a minimum Allotment of 4,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

***Underwriting and Minimum Subscription***

In accordance with Regulation 106P (1) of the SEBI (ICDR) Regulations, 2009, the Issue shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire 100% of the Issuer through this Draft Prospectus and shall not be restricted to the minimum subscription level.

If the issuer does not receive the subscription of 100% of the Issue through this Draft Prospectus including devolvement of Underwriters within sixty (60) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest as prescribed in the Companies Act.

Further, in accordance with Regulation 106R of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum number of Allottee's in the Issue shall be 50 (Fifty) shareholders and the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to the Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

***Market Making***

The Equity Shares offered though the Issue are proposed to be listed on the SME Platform of NSE, wherein the Lead Manager to the Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered though this Draft Prospectus.

***Withdrawal of the Issue***

In accordance with the SEBI (ICDR) Regulations, 2009, our Company in consultation with Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI (ICDR) Regulations, 2009, QIB and NII Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.



## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is Rs.35/- per Equity Share and is 3.5 times the face value.

The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled '**Risk Factors**' and '**Financial Statements**' on page no. 17 and 213, respectively, of this Draft Prospectus to get a more informed view before making the investment decision.

### **QUALITATIVE FACTORS**

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

- Experienced promoters and Management Expertise;
- Quality projects and committed operations;
- Independent Execution capabilities ; and
- Networking strength

For details of Qualitative factors please refer to the paragraph '**Our Competitive Strengths**' in the chapter titled '**Business Overview**' beginning on page no. 163 of this Draft Prospectus.

### **QUANTITATIVE FACTORS**

The information presented in this section relating to the Company is based on the restated financial statements of the Company for Financial Year 2015-16 and 2016-17 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Period	Basic and Diluted EPS (In Rs.)	Weights
Fiscal 2017	1.18	2
Fiscal 2016	6.06	1
<b>Weighted Average</b>	<b>2.81</b>	

#### **Notes:**

- (i) The figures disclosed above are based on the restated financial statements of the Company.
- (ii) The face value of each Equity Share is Rs. 10.00.
- (iii) Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- (iv) The above statement should be read with **Significant Accounting Policies and the Notes to the Restated Financial Statements** as appearing in Annexure 06 on page no.168.

2. **Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 35:**

Particulars	P/E at the Issue Price of Rs. 35:
Based on the Basic and Diluted EPS of Rs. 1.18, as per restated financial statements for the year ended March 31, 2017	29.67
Based on the Basic and Diluted EPS of Rs. 6.06, as per restated financial statements for the year ended March 31, 2016	5.78
Based on the weighted average EPS of Rs. 2.81, as per restated financial statements	12.46
<b>Industry PE *</b>	
Highest	44.00
Lowest	33.63
Industry Composite PE	38.82

Source : Moneycontrol

3. **Return on Net Worth\*:**

Period	Return on Net Worth (%)	Weights
Year ended March 31, 2017	4.46	2
Year ended March 31, 2016	34.48	1
<b>Weighted Average</b>	<b>14.47</b>	

\*Restated Profit after Tax/Net Worth

4. **Minimum Return on increased Net Worth required to maintain Pre-Issue EPS**

a) Based on Basic and Diluted EPS, as adjusted of FY 2016-17 of Rs.1.18 at the Issue Price of Rs.35:

- 3.37 % on the restated financial statements.

b) Based on Weighted Average Basic and Diluted EPS, as adjusted of Rs.2.81 the Issue Price of Rs. 35:

8.03 % on the restated financial statements.

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

Particulars	Amt. (in Rs.)
As on March 31, 2017	10.35
As on March 31, 2016	17.58

## 6. Comparison of Accounting Ratios with Industry Peers:

Sr. No.	Particulars <sup>1</sup>	Face Value	EPS 31/3/17	P/E 23/08/17	RONW	NAV 31/3/17	CMP (23/08/17)
		(In Rs.)	(In Rs.)	Ratio	(%)	(In Rs.)	
1	Va Tech Wabag Limited	2.00	18.03	33.63	10.31	182.06	606.30
2	Thermax Limited	2.00	19.80	44.00	8.79	225.37	871.20
3	ION Exchange (India) Limited	10.00	19.94	42.13	14.32	139.09	840.10
4	Voltas Limited	1.00	15.38	34.02	15.39	98.96	523.30
5	Felix Industries Limited <sup>2</sup>	10.00	1.18	29.67	4.39	10.51	35.00

1 Based on March 31, 2017 consolidated financial statements as reported to BSE

2 Based on March 31, 2017 restated financial statement.

3 Basic & Diluted Earnings per share (EPS), as adjusted

4 Price Earning (P/E) Ratio in relation to the Issue Price of Rs.35 /-

7. **The face value of Equity Shares of our Company is Rs. 10 per Equity Share and the Issue Price of Rs. 35/- per Equity Share is 3.5 times the face value.**

8. The Issue Price of Rs. 35 is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled '**Risk Factors**', and chapters titled '**Business Overview**' and '**Restated Financial Statement**' beginning on page no.17, 137 and 213, respectively of this Draft Prospectus.

*Investors should read the above mentioned information along with section titled "Our Business", "Risk Factors" and "Financial Information of the Company" beginning on page no. 137, page no.17 and page no. 213 respectively including important profitability and return ratios, as set out in "Annexure XXXI" to the Financial Information of the Company on page no 243 of the Draft Prospectus to have a more informed view.*

## STATEMENT OF TAX BENEFITS

To

**The Board of Directors,**

**Felix Industries Limited**

208, Devshruti Complex,  
Opp. Medisurge Hospital,  
Near Mithakhali Cross Road,  
Ahmedabad, Gujarat – 380006

Dear Sirs,

**Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws**

We hereby confirm that the enclosed annexure, prepared by the Management of Felix Industries Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

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

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. The same shall be subject to notes to this annexure.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Felix Industries Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

**For S. N. Shah & Associates**

**Chartered Accountants**

**Firm Registration No.:109782W**

**CA Firoj G. Bodla**

**Partner**

**Membership No. 126770**

**Place: Ahmedabad**

**Date: July 5, 2017**

## ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO FELIX INDUSTRIES LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2016-17.

### BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

#### 1. General tax benefits

##### A. Dividends

As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax (MAT) liability.

The Company distributing dividend to its shareholders will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (plus surcharge and education cess).

##### B. Buy Back of Shares

As per section 115QA of the Act, an Indian unlisted company will have to pay 20% tax on ‘distributed income’ on buyback of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from June 1, 2013.

Such tax is payable by the company notwithstanding that no income tax is payable on its total income. No deduction shall be allowed to the company or shareholder in respect of the income which has been subject to such distribution tax or the tax thereon.

##### C. Business Income

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

##### D. MAT Credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (‘MAT’) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- As per Section 115JB, Minimum Alternate Tax (‘MAT’) is payable @18.5% of the Book profits computed in accordance with the provisions of this section, where income-tax computed under the normal provisions of the Act is less than 18.5% of the Book profits as computed under the said section. A surcharge on income tax of 5% would be levied if the total income exceeds Rs.100

lakhs but does not exceed Rs 1000 lakhs. A surcharge at the rate of 10% would be levied if the total income exceeds Rs 1000 lakhs. Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge.

- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

### ***E. Capital Gains***

#### **(i) Computation of capital gains**

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as long - term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.
- Short - term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.

- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:
  1. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  2. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

**F. Securities Transaction Tax**

As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

**BENEFITS TO THE RESIDENT MEMBERS / SHAREHOLDERS OF THE COMPANY UNDER THE ACT**

**A. Dividends exempt under section 10(34) of the Act**

As per the provisions of Section 10(34) of the Act, dividend(both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

## **B. Capital Gains**

### **1. Computation of capital gains**

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long - term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and cess) with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent 8 assessment years.



## 2. Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

### C. Tax Treaty Benefits

As per provisions of Section 90 (2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

### D. Non-Resident Taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

## **BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS') UNDER THE ACT**

### ***A. Dividends exempt under section 10(34) of the Act***

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

### ***B. Long – Term Capital Gains exempt under section 10(38) of the Act***

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

### ***C. Capital Gains***

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB & certain securities & government Bonds as mentioned in section 194LD) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under

Chapter VI-A of the Act. Interest on certain securities & government bonds as mentioned in section 194LD is taxable @5% only.

- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10%
STCG on sale of equity shares subjected to STT	15%
STCG on sale of equity shares not subjected to STT	30%

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge (as applicable) where the taxable income exceeds Rs. 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

#### **D. Securities Transaction Tax**

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains

#### **E. Tax Treaty benefits**

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial to them.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors

### **BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT**

#### **a) Dividend income**

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

- b)** As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

### **GIFT OF SHARES NOT LIABLE TO TAX, SUBJECT TO SATISFACTION OF CERTAIN CONDITIONS**

- a)** Gift of shares would not attract gift tax as such. However, pursuant to section 56 (2) (vii) of the Act, if shares of the company, the fair market value whereof is more than Rs. 50,000/- are transferred by the shareholder of the Company to a Hindu Undivided Family or any individual who is not a relative as defined in the explanation to section 56(2)(vi)] of the shareholder, without consideration or for an inadequate consideration, then, the fair

market value of the shares or the difference between the fair market value of the shares and the actual consideration, as the case may be, shall be included in the taxable income of the transferee and taxed as per the provisions of the Act.

b) After the shares of the Company are listed, transfer of the shares of the Company by any person to any partnership firm, Limited Liability Partnership or closely held company would not attract tax liability under section 56(viia) in the hands of the transferee in a case where the transfer is effected without any consideration or for an inadequate consideration.

**Notes:**

1. *The tax benefits listed above are not exhaustive.*
2. *The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences.*
3. *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.*
4. *All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.*

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Stock Exchange(s) and Securities and Exchange Board of India.

**For S. N. Shah & Associates**  
**Chartered Accountants**  
**Firm Registration No.:109782W**

**CA Firoj G. Bodla**  
**Partner**  
**Membership No. 126770**

**Place: Ahmedabad**  
**Date: July 5, 2017**

## SECTION V – ABOUT THE ISSUER COMPANY

## INDUSTRY OVERVIEW

*The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.*

**Global Economic Scenario**

The US economy slowed in the first half of 2016, despite the higher than expected upturn in Q2. The impetus from private consumption, non-residential fixed investment and exports was offset by drops in inventory accumulation, residential fixed investment and government spending. Investment in Q2 declined for three consecutive quarters as companies cut back spending on oil wells, equipment and inventories. In Q3, factory activity contracted for the first time in six months in August amidst slumping orders and production.

In the Euro area, growth decelerated from Q1 to Q2, both sequentially and y-o-y. Net exports and consumer spending supported growth, but fixed investment and inventories operated as drags. Industrial production contracted in July. The reemergence of stress in some parts of the banking sector in Q3 tightened financial conditions. However, economic sentiment improved in September in its major economies. The Japanese economy decelerated in Q2 after a modest improvement in Q1, as weak domestic consumption and sluggish external demand prompted companies to cut capital spending. In the UK, economic growth was stronger in Q2 than Q1, even as industrial growth was partly offset by a fall in construction activity.

*(Source: Monetary Policy Report, issued by RBI in October, 2016)*

Table V.1: Real GDP Growth (q-o-q, annualised)

(Per cent)

	2015: Q2	2015: Q3	2015: Q4	2016: Q1	2016: Q2	2016 (P)	2017 (P)
<b>Advanced Economies (AEs)</b>							
US	2.6	2.0	0.9	0.8	1.4	2.2	2.5
Euro Area	1.6	1.2	1.6	2.4	1.2	1.6	1.4
Japan	1.9	2.1	1.7	2.1	0.7	0.3	0.1
UK	2.0	1.2	2.8	1.6	2.8	1.7	1.3
Canada	-0.5	2.2	0.5	2.5	-1.6	1.4	2.1
<b>Emerging Market Economies (EMEs)</b>							
China	7.2	7.2	6.0	4.8	7.2	6.6	6.2
Brazil	-9.1	-6.2	-5.1	-1.7	-2.2	-3.3	0.5
Russia*	-4.5	-3.7	-3.8	-1.2	-0.6	-1.2	1.0
South Africa	-2.0	0.3	0.4	-1.2	3.3	0.1	1.0
Korea	1.6	4.8	2.8	2.0	3.2	2.7	2.9
Thailand	2.1	3.6	3.4	4.0	3.2	3.0	3.2
Malaysia	3.6	3.6	4.8	4.0	2.8	4.4	4.8
Mexico	3.3	2.8	1.8	2.0	-0.7	2.5	2.6
Saudi Arabia**	-4.7	2.1	5.9	2.8	-	1.2	2.0
<b>Memo</b>					<b>2015</b>	<b>2016 (P)</b>	<b>2017 (P)</b>
World Output					3.1	3.1	3.4
World Trade Volume					2.7	1.7	1.8-3.1

P : Projection, \* year-on-year, \*\*: Seasonally Unadjusted.

Source: Bloomberg, IMF, WTC and Eurostat.

After a lacklustre outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. Global output growth is estimated at about 3 percent (at an annualized rate) for the third quarter of 2016—broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies, mostly reflecting idiosyncratic factors. Forward-looking indicators such as purchasing managers' indices have remained strong in the fourth quarter in most areas.

The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in EMDEs' growth. As discussed in the October WEO, this projection reflects to an important extent a gradual normalization of conditions in a number of large economies that are currently experiencing macroeconomic strains. EMDE growth is currently estimated at 4.1 percent in 2016, and is projected to reach 4.5 percent for 2017, around 0.1 percentage point weaker than the October forecast. A further pickup in growth to 4.8 percent is projected for 2018.

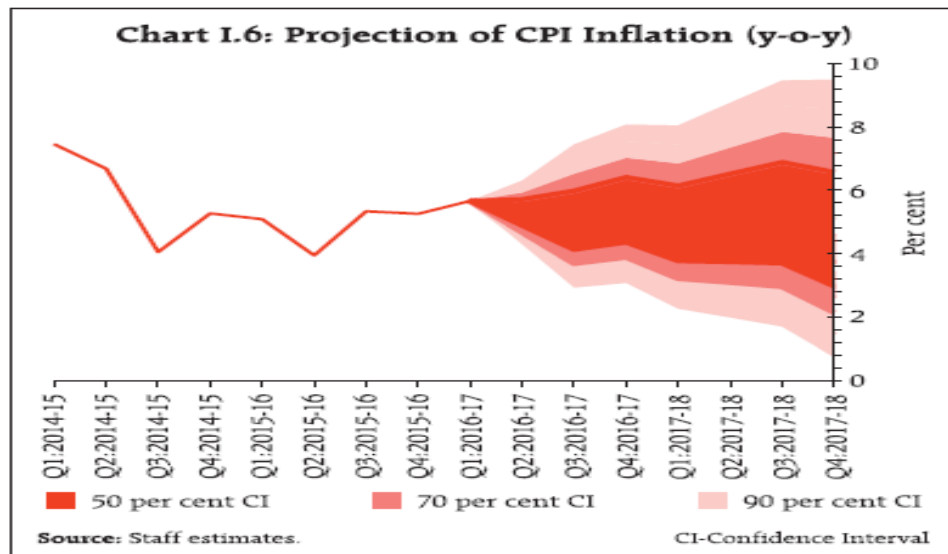
(Source: World Economic Outlook Update, IMF, January 2017)

### Indian Economic Scenario

Daily price collections of sensitive items under pulses, fruits, vegetables and cereals suggest that the seasonal surge in food prices may have peaked in July. Subdued momentum in food inflation in Q3 and the usual seasonal softening of food prices in early Q4, notwithstanding a reversal of base effects in March 2017, improves the near-term outlook for inflation considerably. Commodity prices are expected to remain quiescent over the rest of the year.

Staff's baseline model forecasts, taking into account the revisions in assumptions on initial conditions and augmented by information yielded by these forward looking surveys of various classes of economic agents as well as from lead indicators, set a trajectory that takes consumer price index (CPI) inflation down from 5.7 per

cent in Q1 of 2016-17 to 5.0 per cent in Q3 before it firms up moderately to 5.3 per cent in Q4 (the 70 per cent confidence interval lies in a range of 3.9-7.0 per cent).



(Source: Monetary Policy Report, issued by RBI in October, 2016)

The depressed private investment climate amidst subdued capacity utilisation and corporate balance sheet deleveraging; depressed global output and trade growth dragging down net exports were some of the key downside risks that could impinge upon the path of growth in 2016-17 highlighted by RBI in its Monetary Policy of April 2016.

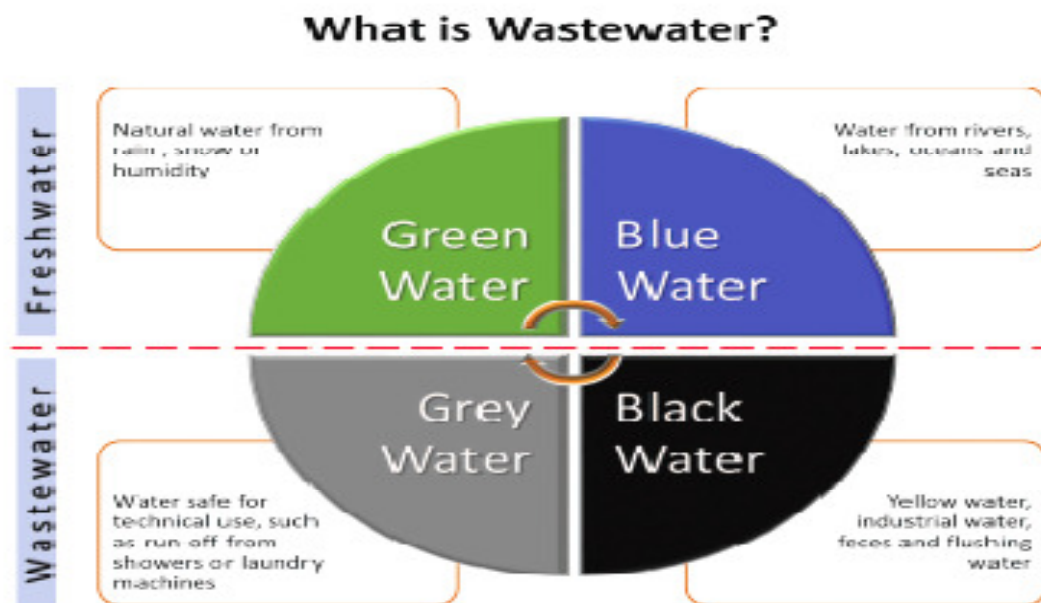
While private investment activity remains sluggish, corporate business expectations remain upbeat in the Reserve Bank's industrial outlook survey on improving prospects for production, capacity utilisation, employment and the availability of finance. This positive sentiment was also reflected in business confidence surveys conducted by other institutions. Over the medium-term, the implementation of the GST should boost business confidence and investment, brightening the environment for an acceleration of growth. Other initiatives such as steps to attract foreign direct investment in defense, civil aviation, pharmaceuticals and broadcasting, measures to improve infrastructure, and the enactment of the Insolvency and Bankruptcy Code and the Real Estate (Regulation and Development) Act should also contribute to unlocking entrepreneurial energies and growth impulses.

The real GVA growth to improve from 7.3 per cent in 2016-17:Q1 to 7.6 per cent each in the remaining three quarters of 2016-17 on account of better agricultural prospects. For 2017-18, assuming a normal monsoon, fiscal consolidation in line with the announced trajectory and no major exogenous/policy shock(s), structural model estimates and off-model adjustments, real GVA growth of 7.9 per cent is expected but with downside risks mainly due to lower global demand vis-à-vis the April 2016.

(Source: Monetary Policy Report, issued by RBI in October, 2016)



## Global Water and Water Treatment Industry



Water is vital to economic growth. Almost all of society's commercial activities, from agriculture and electricity generation to the production of consumer goods depends on the availability of water. Demand for water resources is growing rapidly but supply is limited. Globally, the volume of renewable water per capita has declined by 40% in the last 22 years. Among all natural resources, water faces one of the most serious threats both in terms of demand and supply. On the demand side, agricultural, industrial and municipal/residential usage is set to grow fast over the next 20 years. On the supply side, the world is facing a combination of insufficient freshwater, uneven distribution, widely varying quality, water losses and also adverse impacts due to climate change.

### Global Water Challenges

#### Rising demand

According to UN data, around 1.2 billion people, or almost one-fifth of the world's population, lives in areas of physical scarcity and 500 million people are likely to face this situation in the near future. Another 1.6 billion people, or almost one quarter of the world's population, face economic water shortage (where countries lack the necessary infrastructure to take water from rivers and aquifers). The increase in the number of people without access to water and sanitation in urban areas is directly related to the rapid growth of urban population in the developing world and the inability of local and national governments to provide adequate water and sanitation facilities in this regard.

#### Water, Sanitation and Hygiene (WASH)

Water, sanitation and hygiene is fundamentally important to lives and livelihoods of people and is today a major factor contributing to sustainable development. Lack of WASH takes a huge toll on health and well-being and comes at a large financial cost in many countries. While the impacts are most pronounced in lower income countries, challenges remain in wealthier nations where concerns regarding water safety and environmental sustainability persist alongside inequalities.



**Insufficient freshwater**

Freshwater accounts for 2.5% to 3% of the total water on the planet, most of which is locked in the two polar ice caps. Groundwater, a critical source of potable water for the world's major cities, makes up about 30% of freshwater resources. Lakes, rivers, wetlands and different soil types account for only 1.2% of freshwater. Nevertheless, humans rely on these sources more than any other. Freshwater availability will be increasingly strained going forward. There is clear evidence that groundwater supplies are diminishing, with an estimated 20% of the world's aquifers being over-exploited.

**Water in a rapidly urbanizing world**

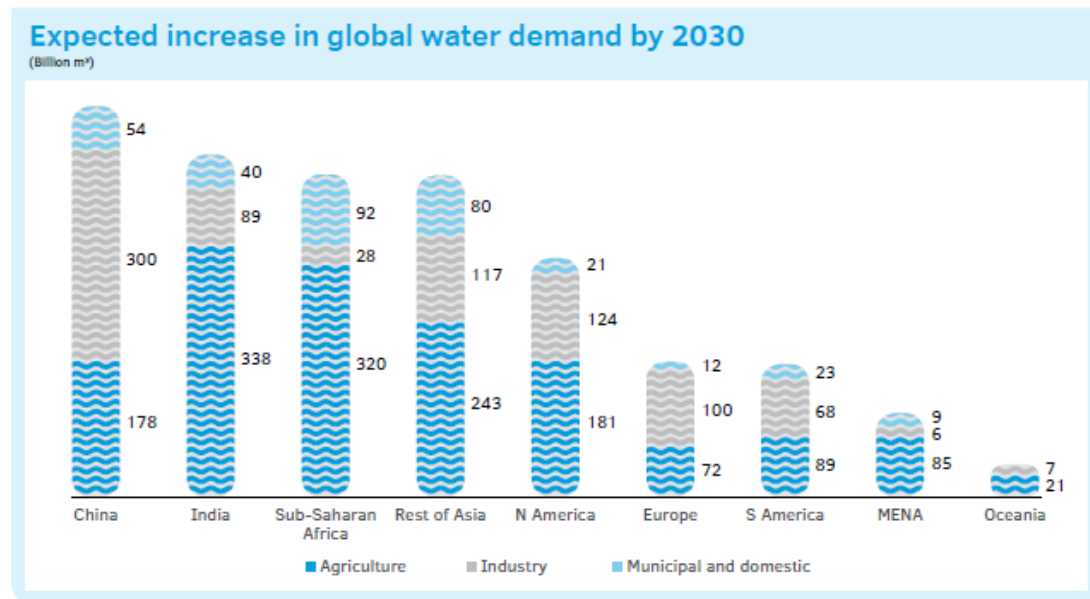
Urban cities are where development challenges and opportunities directly come face-to-face. In 2014, 3.9 billion people or 54% of the global population lived in cities and by 2050 two-thirds of the global population will be living in cities. Furthermore, most of this growth is happening in developing countries, which have limited capacity to deal with this rapid change. Rapid urbanization, increased industrialization and improving living standards combine to increase the overall demand for water in cities. As easily available surface water and groundwater sources have depleted in many urbanized areas, cities will have to go further or dig deeper to access water, or will have to depend on innovative solutions or more advanced technologies such as reverse osmosis for desalination, or reclaimed water to meet their water demands.

**Pollution and wastewater management**

Many cities in developing countries do not have the necessary infrastructure to collect and treat wastewater. In the absence of proper drainage systems, sewage mixes with storm water causing further pollution. It is estimated that up to 90% of all wastewater in developing countries is discharged untreated directly into rivers, lakes or the oceans, causing major environmental and health risks. This has huge social and economic impact due to increased healthcare costs and lower labour productivity.

***Outlook***

There are significant opportunities around water treatment and wastewater reuse with less than 3% of water globally being recycled. Water treatment covers the processes used to make water more acceptable for a desired end-use, such as drinking water, usage or re-usage by industry and irrigation. Moreover, this market is barely tapped within sufficient wastewater treatment around the world. For instance, wastewater reuse stands at only 2.41% of all water withdrawals globally. On the municipal side, the increasing scrutiny of environmental regulations and the need to extract more value from the water cycle is driving the market. We anticipate that large opportunities will also emerge from the USD 50 billion industrial water treatment market, vis-à-vis sectors with heavy volumes and environmental constraints (utilities, oil & gas, mining), strict water constraints (cosmetics), variable effluents (petrochemicals, energy, breweries) as well as in emerging areas like ship ballast water treatment. Desalination is also set to emerge as a US\$ 41 billion industry by 2025 with increased development in technology making desalination affordable in emerging markets like India.



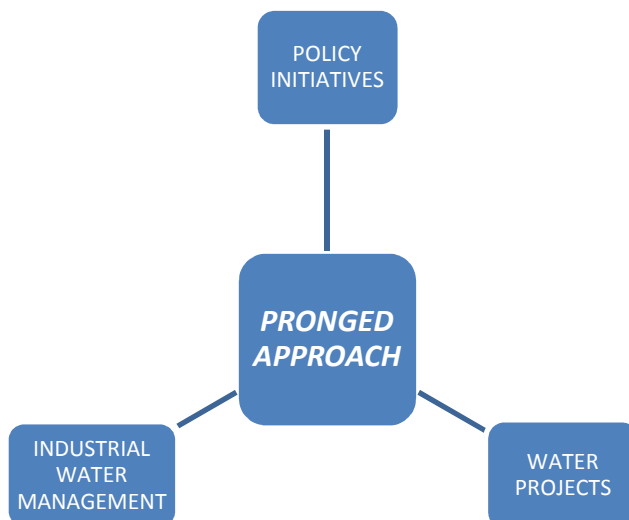
Source: 2030 Water Resources Group

### Overview of Indian Water and Water Treatment Industry

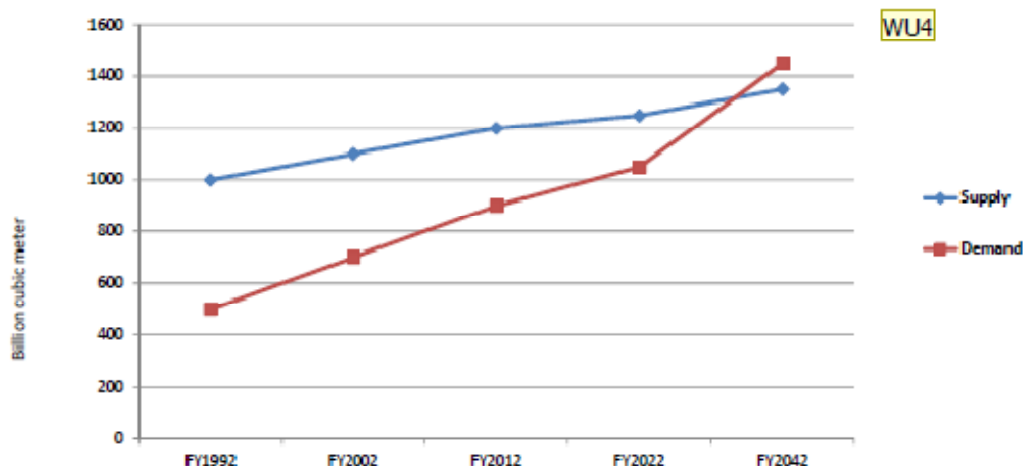
Water is a finite resource. Therefore, conserving and recycling every drop of water is critical for humanity. India accounts for 18% of the world population and about 4% of the world's water resources. The challenge to provide clean drinking water to a growing population is enormous and policy action to tackle this is critical for the sustainable growth of the country. The Indian water sector, which comprises the drinking water segment and the wastewater treatment segment, is growing at a rate of 20% every year, according to a Ministry of Water Resources (MoWR) study in 2014. India spends less than USD 5 per person on providing water as compared to USD 28 per person in the US, as per Avalon Global Research.

Per capita availability of freshwater has dropped significantly from 5,177 cubic metres in 1951 to 1,820 cubic metres in 2001. As per the MoWR, per capita water availability in 2025 and 2050 is estimated to come down by almost 36% and 60% respectively, from the 2001 levels.

#### Industry Initiative Macro Level Approach:



### Indian Water Demand-Supply:



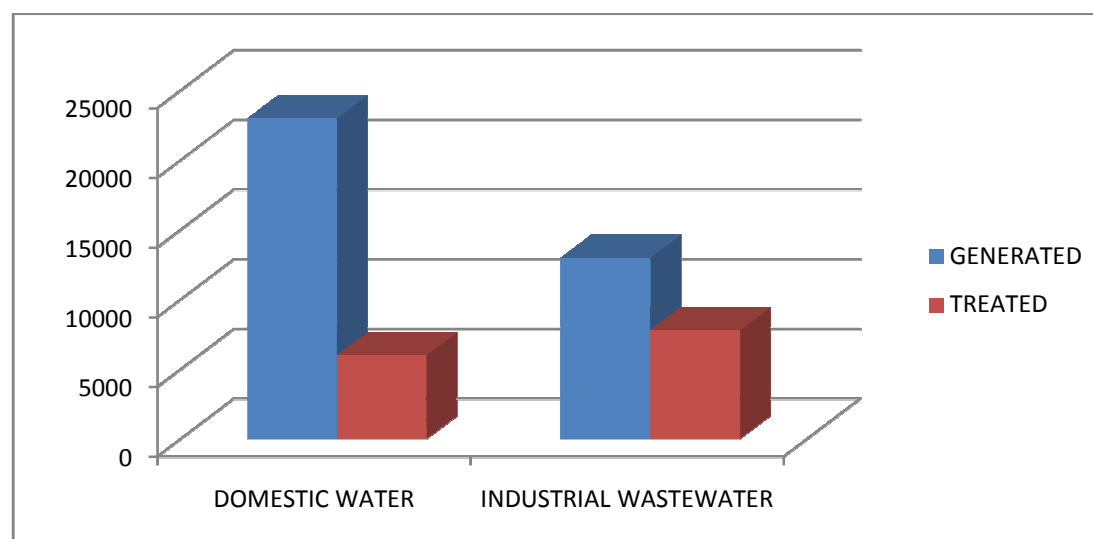
Source: ([http://www.euindiacoop.org/2012/downloads/28\\_Business\\_initiatives\\_India\\_Water\\_Sharma.pdf](http://www.euindiacoop.org/2012/downloads/28_Business_initiatives_India_Water_Sharma.pdf))

Water and wastewater management in India has emerged relatively recently as a key priority at the national, state, and local government levels. Historically, urban wastewater has been allowed to flow untreated into the ground as well as into water bodies such as major rivers and lakes. The result has been wholesale pollution of major rivers such as the Ganges and the Yamuna.

Most of the sewage is generated by India's 950-odd larger cities. The total number of sewage treatment plants (STPs) in the country can treat just up to a third of the total sewage generated—the remaining sewage simply flows into water bodies or into the ground without any treatment.

### Waste Water Treatment

Only 60% of industrial water is treated while 26% of domestic water is treated in India.



Source: ([https://www.slideshare.net/trade-gov-il/water-and-waste-water-treatment-opportunity-in-india-report-160811?next\\_slideshow=1](https://www.slideshare.net/trade-gov-il/water-and-waste-water-treatment-opportunity-in-india-report-160811?next_slideshow=1) )

India is a growing market for water and waste water treatment.

Waste water treatment includes sewage treatment and effluent treatment

Sewage Treatment	Effluent Treatment
It includes treating of water which contains waste generated by human beings.	It includes waste generated from the industrial segment.
Municipal segment primarily invest in sewage water treatment.	There are regulations and guidelines set by the Central Pollution Control Board for various industries in India.
Segments like residential, industrial and commercial invest in sewage water treatment only if they are outside municipal limits or are required to do so by law.	Depending on the extent of regulation for each industrial segment, these segments decide on the process they want to invest in.
The norms, though formed by CPCB, are enforced by the state governments in India, are not uniform across the country.	Though the norms for waste water treatment are set by the CPCB, the enforcement is under state jurisdiction.

#### Water Requirement By Different Sector:

SECTOR	WATER DEMAND IN KM <sup>3</sup>		
	2010	2025	2050
Irrigation	688	910	1072
Drinking water	56	72	102
Industry	12	23	63
Energy	5	15	130
Others	52	72	80
Total	813	1093	1447

Source: ([http://www.euindiacoop.org/2012/downloads/28\\_Business\\_initiatives\\_India\\_Water\\_Sharma.pdf](http://www.euindiacoop.org/2012/downloads/28_Business_initiatives_India_Water_Sharma.pdf))

Apart from this, of the about 13,500 million litres per day (MLD) of wastewater generated by industries, only 60% of it is treated, and most of this is by large-scale industries who are more visible and capable of affording the costs. The current rapid urbanization occurring in India will triple the amount of wastewater to more than 120,000 MLD by 2050. India ranks 124th out of 178 countries on the Environmental Performance Index with regards to access to water and sanitation, and has an installed capacity to treat about 30% of the household waste it generates.

India's rapid urbanization will result in a tripling of sewage generation by 2050, to more than 120,000 MLD, according to the Central Pollution Control Board (CPCB).

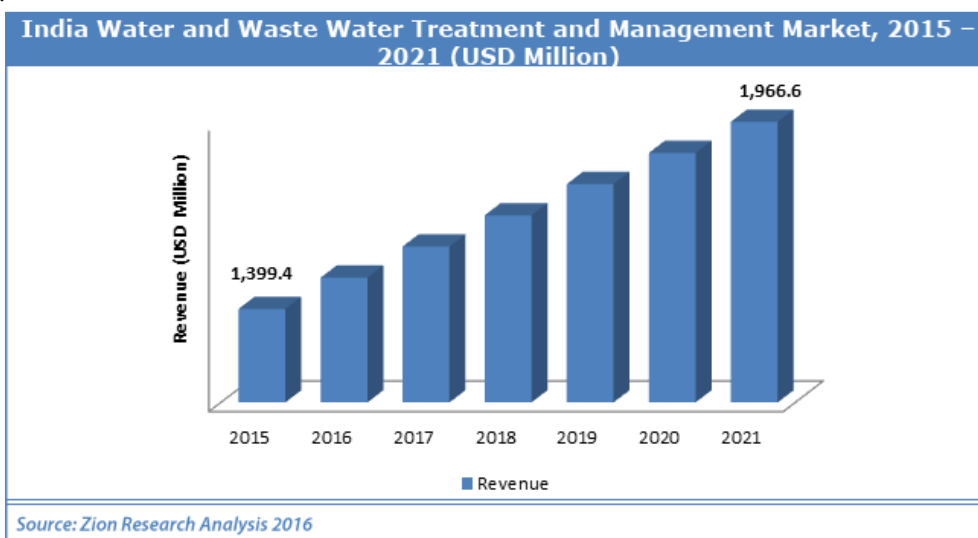
SEWAGE AND SEWAGE TREATMENT STATUS IN INDIAN CITIES BY SIZE			
	Metro Cities (pop. >1m)	Class I Cities (pop. 100k-1m)	Class II Towns (pop. 50-100k)
No. of Cities	53	498	410
Sewage Generated	15,644 MLD	35,558 MLD	2697 MLD
Sewage Treatment Capacity (Installed)	8040 MLD	11,554 MLD	234 MLD
Treatment Capacity % of Total Sewage	51%	32%	9%

(Source: <https://roko-mobi.s3.amazonaws.com/a0ba76ce-a608-4c3c-8c34-de96329df92e/cc47cd19-4757-4e3f-b537-3a290a50f744>)

### ***Indian Water and Waste Water Treatment and Management Market***

India water and waste water treatment and management market was valued at USD 1,399.4 million in 2015 and is expected to reach USD 1,966.6 million in 2021, growing at a CAGR of 6.1% between 2016 and 2021. Low wastewater treatment capacity and poor infrastructure are some of the major water problems faced by India. In few cities and towns, such as cities in Karnataka, Andhra Pradesh, and Gujarat wastewater treatment facilities have the capacity to handle less than 12% of wastewater discharged. The high amount of untreated discharged water may lead hygiene problems and constrain the economic growth in this country.

However, urbanization and economic development of India and continuous growth in power generation, manufacturing and refining sector are offering alluring opportunities to the Indian water and waste water treatment market. Such opportunities would be created for wastewater treatment equipment and services providers.



Rising population and industrial growth are contributing towards escalated demand for water treatment products across the country. Indian water treatment and management market is driven by numerous factors such as stringent government policies, increasing population, and demand for fresh or clean water for different purposes and increasing industrialization. Some of the factors which are acting as challenges for the growth of the market include expensive nature of water treatment chemicals and technology and inadequate funding from the private as well as public sector. However, huge gap between wastewater generation and treatment, wastewater treatment offers potential growth prospects to this market in near future.

Various types of chemicals involved in the water and waste water treatment include coagulants and flocculants, anti-foamants and defoamers, corrosion and scale inhibitors, activated carbon, biocides and others. Corrosion and scale inhibitors in the chemical industry gathered the major share of the water treatment market in India. It acquired more than 24% share of the overall market in 2015.

Pumping systems used in water treatment are pumps, valves & controls, and automation systems. Valves and controls dominated the overall market in 2015. Industrial application emerged as the major segment of the market and accounted for around 73% share of the total market in the same year.

Many large domestic and global participants like Driplex, Ion Exchange India, Thermax, Degremont, Doshi Ion, Veolia Water and VA tech Wahag have already engaged in the India water and wastewater treatment market. Some of the major players operating this industry include Hitachi Plant Technologies Ltd, GE Water & Process Technologies, Aquatech International Corporation, Ramky Enviro Engineers Ltd, Thermo Fisher Scientific Inc, IDE Technologies Ltd, and Ion exchange (India) limited among others.

(Source: <https://www.zionmarketresearch.com/news/indian-water-and-waste-water-treatment-and-management>)

### Business Opportunity

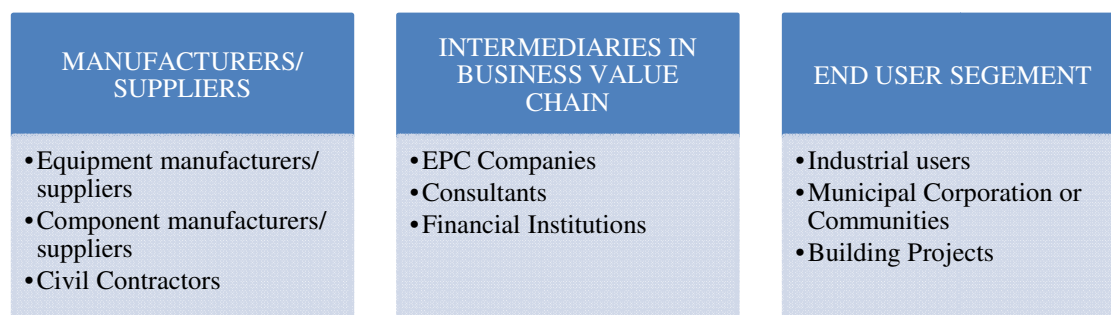
Water and waste water treatment will remain high potential business opportunity in India for many years due to the following trends:

- The rise in population levels and rapid increase in urbanization have put pressure on urban cities to cater to the increasing water needs of the people.
- Agriculture sector is also feeling the pinch of rising population and shrinking acreage as they have to find adequate water sources for irrigation purpose to improve crop yield.
- Emergence of new industries and manufacturing set ups has not only put pressure on water requirements but also on water treatment.
- The main end users in the water market are the municipal authorities and the Public Health Departments. End user commercial establishments include hospitals, hotels and housing developments.
- Joint ventures with Indian firms to offer integrated technology and solutions in desalination plants.

Customer Segment	Verticals	Technologies	
		Conventional	Advanced
MUNICIPAL	Drinking Water Treatment	Chemical precipitation, filtration, disinfection	Biological denitrification, Lamella Clarification
	Waste Water Treatment	1. Activated Sludge Process (ASP) 2. Sequential Batch Reactor (SBR) 3. Upflow Anaerobic Sludge Blanket Reactor (UASB) 4. Bio Active Fixed Film Technology 5. Stabilization pond	1. Aerobic Sludge filtration; 2. Moving Bed Bio Reactor (MBBR); and 3. Membrane Bio Reactor (MBR)
	Recycling		1. Reverse Osmosis 2. Ultra Filtration 3. Micro Filtration 4. Membrane Bio Reactors
INDUSTRIAL (Power Plants, Steel plants, Refineries, etc)	Desalination	1. Multi Stage Flash 2. Multi-Effect Distillation 3. Reverse Osmosis	1. Thermal desalination and 2. Electrodialysis
	Process Water Treatment	1. Co- and counter current regenerated Demineralization 2. Fluid Bed- counter current regenerated Demineralization	1. High pressure Condensate polishing
	Waste Water Treatment • Water Reuse /Reclamation	1. Physio-Chemical Treatment – Oil removal system using DAF / API / CPI separators 2. Neutralization and sedimentation 3. Aerobic Biological treatment 4. Tertiary treatment – activated carbon	1. Bio-methanation (mainly for distillery effluent); and 2. Wet Air Oxidation

	<ul style="list-style-type: none"> <li>• Effluent Treatment</li> </ul>	filtration, disinfection	
	Recycling		1. Reverse Osmosis; 2. Ultra filtration; 3. Micro filtration; and 4. Membrane Bio Reactors

### *Stakeholders in the Water and Waste Water Treatment Business Value chain*



### *Government Initiatives*

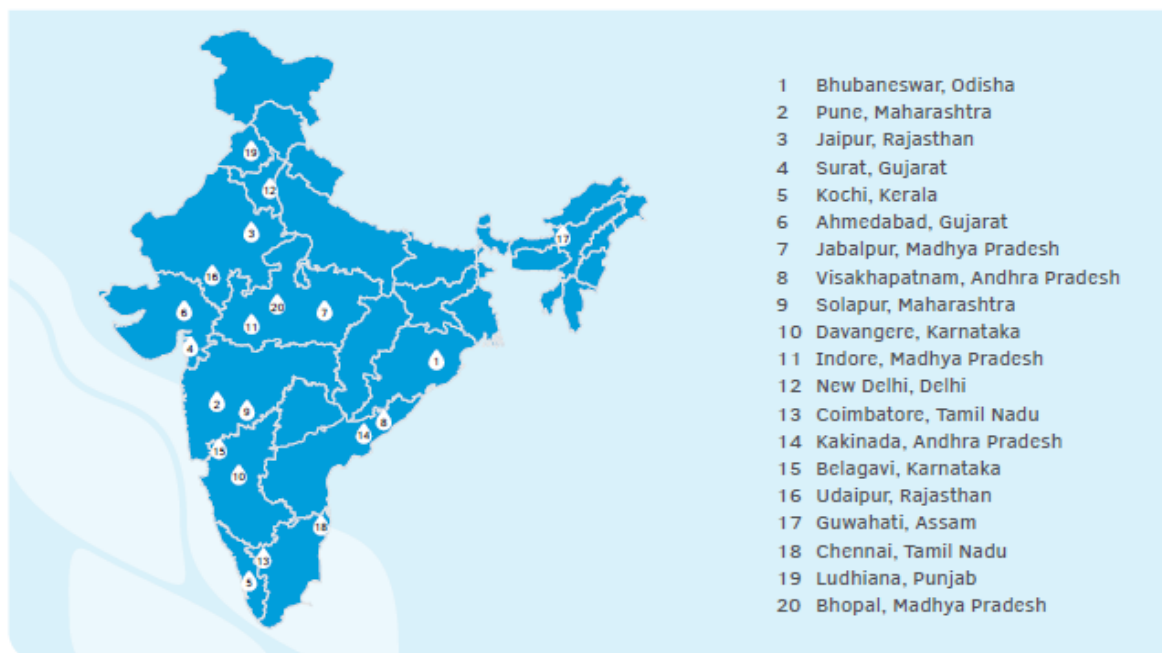
#### **a) Clean Ganga**

The ambitious Namami Gange project to clean-up the Holy Ganges would involve setting up of many Sewage Treatment Plants and Effluent Treatment Plants along the banks of the river Ganges to stop the flow of waste water into the river. The five states through which the river flows would be supported by the Central Government funding. The Union Cabinet approved a proposal for taking up hybrid annuity-based public-private partnership (PPP) model under Namami Gange Programme to clean up the Holy Ganges, and also reform the wastewater sector in the states where the river is flowing through. Keeping in view the specialized nature of this model and to scale it up in future on sustainable basis, the government is establishing a special purpose vehicle (SPV) to plan, structure, procure concessionaires and monitor implementation of such PPP projects and develop market for treated wastewater through appropriate policy advocacy under the overall guidance of National Mission for Clean Ganga.

#### **b) Smart cities:**

The Smart Cities Mission is an innovative and new initiative by the Government of India to drive economic growth and improve the quality of life of people by enabling local development and harnessing technology as a means to create smart outcomes for citizens. The Mission will cover 100 cities and its duration will be five years (FY2015-16 to FY2019-20). The objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions. The first 20 cities to be developed as SMART CITIES are:

## Upcoming 20 Smart Cities



### c) Various other opportunities as:-

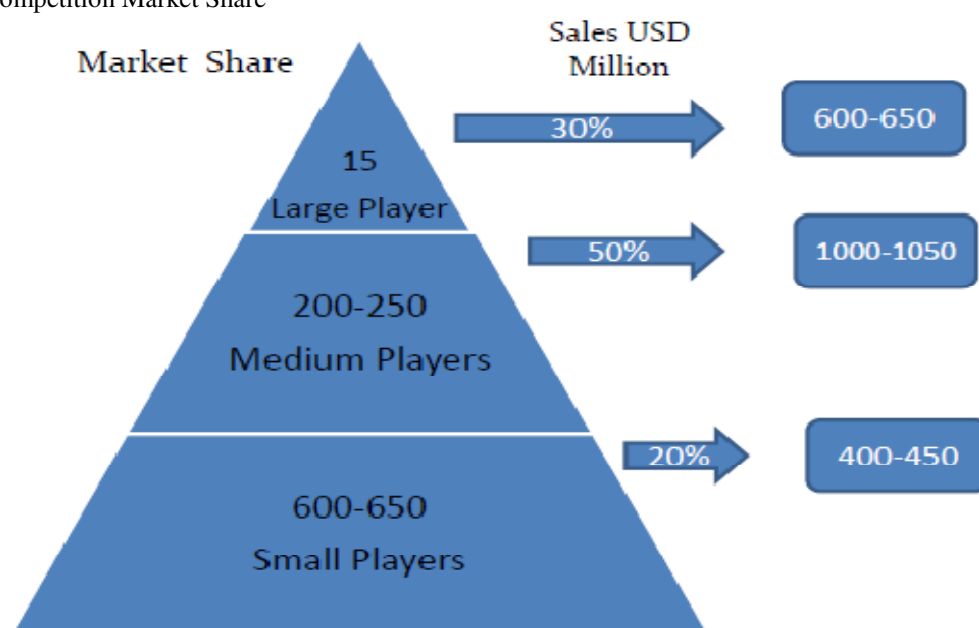
- a. Joint ventures with Indian firms to offer integrated solutions in water treatment, including performing feasibility studies, designing, technical consulting and providing operation and online maintenance services.
- b. Water supply and efficient use and reuse of water particularly in industrial processes for high polluting sectors, such as cement, pulp, paper and equipment for water saving and water recycling. Provision of better design, manufacture and installation of various types of rainwater harvesting systems to cater to the inherent and growing needs of the population to conserve and reuse rain water.
- c. Water use efficiency solutions (including efficient irrigation solutions, such as sprinkler or drip irrigation and low-flow faucets and other water use systems). Water governance (including innovative and novel government policy approaches). Water analysis and instruments (such as water-saving, household devices and domestic usage monitoring, equipment). Municipal and household water purification systems. Water consulting (including services to develop water conservation policy plans).
- d. Sewerage treatment, and efficient use and reuse of water particularly in industrial processes for high polluting sectors, such as cement, pulp, paper and equipment for waste water treatment (including treatment technologies, biogas regeneration through anaerobic treatment of municipal and industrial wastewater, and water saving equipment and water recycling).
- e. Design, manufacture and installation of various types of wastewater systems, sewage system rehabilitation and septic system rehabilitation and alternatives, packaged and transportable sewerage and wastewater treatments, waterless composting toilets, water treatment controllers, design, manufacture and/or maintain equipment for disinfecting water by electrolysis.



### Competition in India

Water industry is highly fragmented and unorganized in nature and largely concentrated in certain geographical pockets. There is significant competition, but players differ significantly in terms of project capabilities:

- Companies engaged exclusively in water treatment having proprietary technology to undertake turnkey water contracts and which may sub-contract civil construction work
- Large EPC Construction companies with execution ability to undertake large projects, but no water expertise. These companies may subcontract the water treatment work in large projects to water specialty companies
- Handful of players with execution experience across disciplines and ability to implement complex projects
- Water companies from all over the world have established a presence in India to pursue an estimated 70 projects, worth several billion euros, in 20 Indian cities across the country. Multilateral and bilateral agencies provide major funding for infrastructure projects in India.
- Competition Market Share



### Few Domestic Competitors and their global alliances:

Company	Global Alliances
Va-Tech Wabag Ltd	Wabag Germany
Degremont India	Joint venture with Degremont, France
Doshi Ion	Joint Venture with Veolia Solutions, France
Ion Exchange India Pvt. Ltd.	Joint Venture with Water leau, Belgium
Driplex	Partnership with Best Water group Austria and Lanxess, Germany
Paramount	Pikenwood water, UK for oil water separation; Koch Glitch, UK for Bio-tower Plastic Media
Thermax	Wehrie Umwelt Gmbh- Technology for treatment of hard to treat effluents GE Water- Ultrafiltration and MBR Technologies for India - Reverse Osmosis Membranes
Felix Industries Limited	Collaboration with GEA Engineering & Environment Cosultants, Inc.

Construction companies in India are typically civil engineering companies which undertake construction work on a contract basis, in sectors like roads, ports, urban infrastructure, power projects etc. All construction projects have eligibility criteria of two types - technical and financial. Customers look for experience of design, engineering and construction capability of treatment plants of similar magnitude and complexity under technical eligibility. Sometimes it calls for experience with specific technology application and demonstration of performance in running a plant over a certain period. The financial eligibilities are mainly related to revenue and net worth of the companies.

Companies who have the requisite financial strength and experience typically meet these eligibility criteria and undertake projects independently. Smaller companies generally have to enter into joint ventures to meet the eligibility criteria and to spread the financial and business risk. Build, Operate and Transfer (“BOT”) and Build, Own, Operate and Transfer (“BOOT”) are also increasingly seen as modes of executing projects. Foreign engineering and construction companies typically participate in the infrastructure development in India through joint development ventures with Indian construction companies.

### ***Growth Drivers in India***

While the water situation in India is grim, reforms on the regulation front have begun to take shape and success of these can throw up potentially huge investment opportunities. In view of huge demand for water, expected shortages and likely reforms, the water sector provides vast opportunities for water management companies. With India’s vast pool of high quality of technical and scientific manpower, strong growth can be expected in this sector. Together with its low manufacturing costs and engineering resources, India has the potential of becoming a global outsourcing base in future. The key business drivers for the water engineering business in India are summarized below:

- Huge gap in safe water supply and sanitation infrastructure availability in the country.
- Large budgetary allocation from the Government in water supply and sanitation.
- Increased funding from multilateral agencies like World Bank, ADB, etc. with emphasis on private participation.
- Stricter disposal norms for industrial waste water.
- Need to recycle treated waste water to solve the problem of disposal and fresh water availability simultaneously.
- Increasing trend to outsource O&M services.
- BOT / BOOT concession projects which are cash intensive but provide higher margins in the long run.
- Improvement in technology leading to lower costs and higher affordability.
- Reducing availability of water forcing users to go for reuse & recycling of wastewater. Decreasing water quality in water bodies and rivers and environmental pressures on wastewater discharge from government pollution control boards. General industrial and economic growth, particularly in chemical, pharmaceutical, power plants, food and textile industries.
- Increased awareness about drinking water quality and health.
- **Fiscal Incentives: Water and Wastewater Sectors**
  - Tax Holiday: A 10 year, 100% deduction of profits and gains is available for companies operating in water supply projects, water treatment systems, and sanitation and sewage projects.
  - FDI Opportunity: 100% FDI is permissible under automatic route in construction and maintenance of Rural Drinking Water Supply Projects, Package Water Treatment Plants, Rain and Rain Water Harvesting Structures, Waste-Water Recycling.
  - Loan availability. Soft loans are provided through: IREDA, a public sector company of the Ministry. Nationalized banks and other financial institutions for identified technologies / systems.
  - **Tax / Duties Relief:**
    - Direct taxes: 100% depreciation within 1st year of project installation.
    - Exemption / reduction in excise duty.

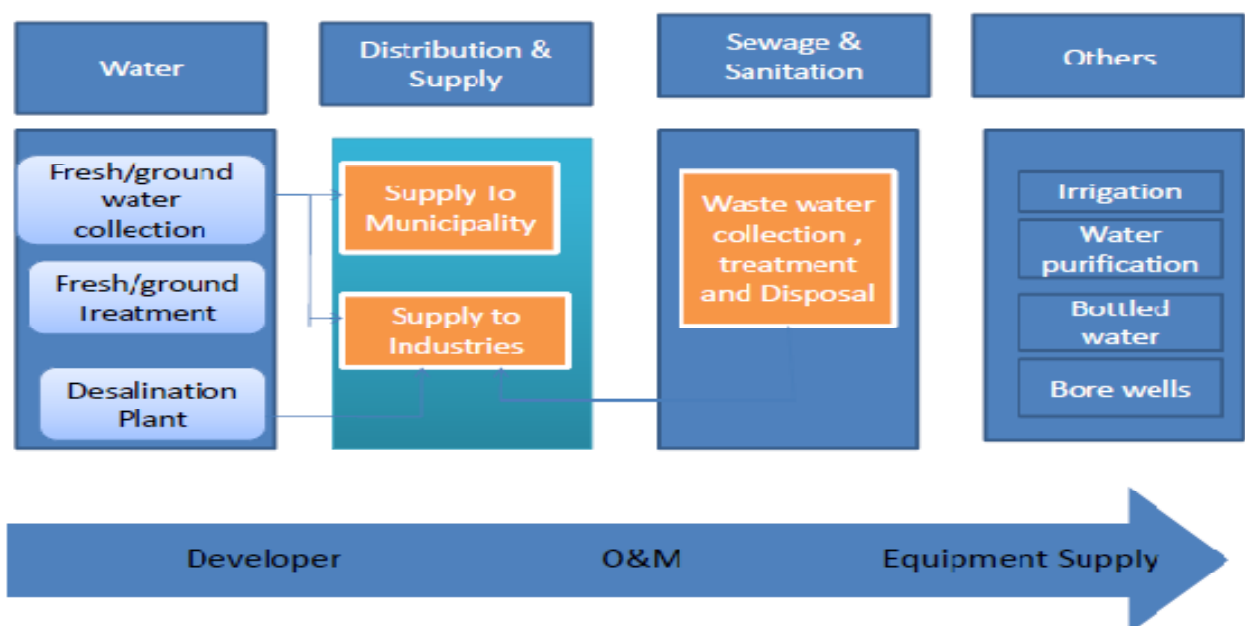
- Exemption from Central Sales Tax, and customs duty concessions on the import of material, components and equipment used in “Renewable Energy” RE projects.
- Duty-free import of renewable energy equipment.
- Exemptions from electricity taxes.
- **Subsidies:**
  - CETPs, TSDF, and conveyance pipelines for treated wastewater disposal into deep sea are eligible for a 25% state subsidy.
  - Capital subsidies and concessionary financing from the Indian Renewable Energy Development Agency are available.

### *Opportunities in India*

- Water supply and efficient use and reuse of water particularly in industrial processes for high polluting sectors, such as cement, pulp, paper and equipment for water saving and water recycling.
- Provision of better design, manufacture and installation of various types of rainwater harvesting systems to cater to the inherent and growing needs of the population to conserve and reuse rain water.
- Water use efficiency solutions (including efficient irrigation solutions, such as sprinkler or drip irrigation and low-flow faucets and other water use systems).
- Water governance (including innovative and novel government policy approaches).
- Water analysis and instruments (such as water-saving, household devices and domestic usage monitoring, equipment).
- Municipal and household water purification systems.
- Water consulting (including services to develop water conservation policy plans).
- Joint ventures with Indian firms to offer integrated solutions in water treatment, including performing feasibility studies, designing, technical consulting and providing operation and online maintenance services.

Source: ([http://ebtc.eu/pdf/111031\\_SNA\\_Snapshot\\_Water-and-waste-water-in-India.pdf](http://ebtc.eu/pdf/111031_SNA_Snapshot_Water-and-waste-water-in-India.pdf))

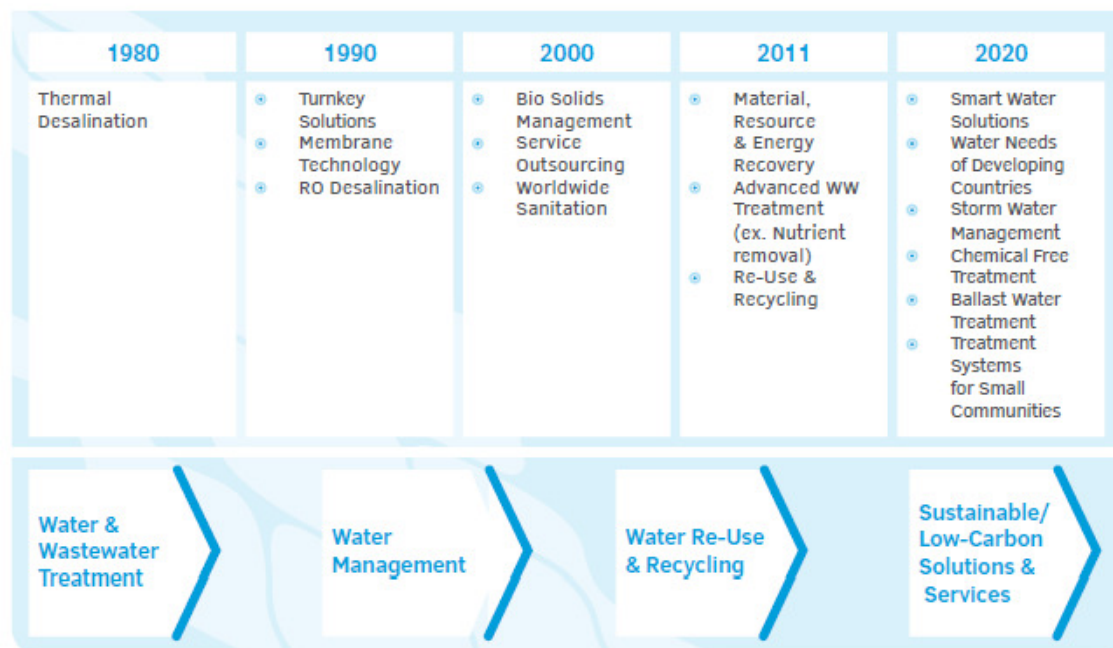
### *Opportunity Across the value chain:*



## India Water outlook

With India's high population growth and intensifying water consumption, per capita availability of water has declined steadily over the years. There is an urgent need to generate water from all available alternate sources including wastewater by recycling, reuse, recharging, and storages. There is increased awareness among the Indian Environment and Pollution Control Boards and the norms are getting stricter by the day. Desalination of seawater, wastewater treatment and usage of recycled water for the industries is being tapped into by a few states which is providing a sustainable solution to the water issues. Although there has been increased focus on wastewater treatment over the last few years, there is still a big gap between generation and treatment which needs to be addressed on priority with policy actions.

### Water treatment technology roadmap 1980-2020



## Overview of Metals And Mining Sector

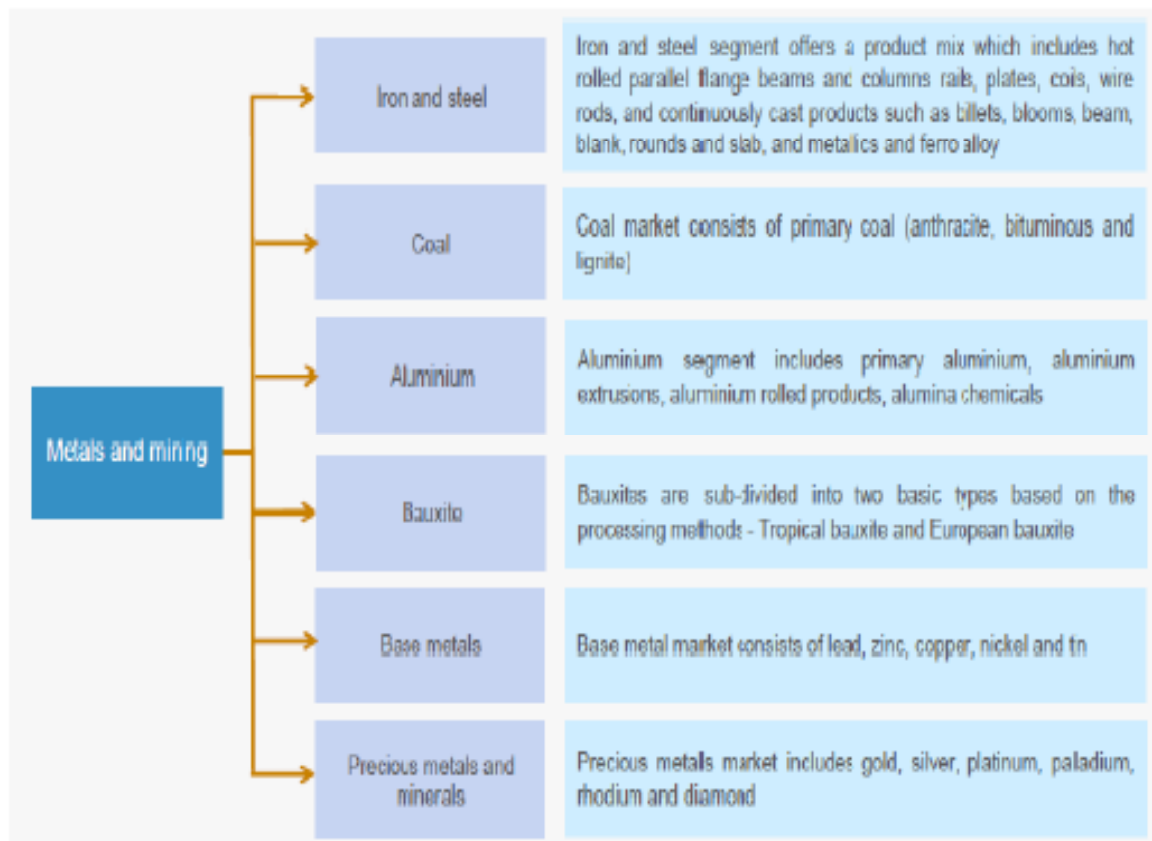
India is the third largest producer of coal. It has the fifth largest coal reserves in the world at 301.6 billion tonnes (BT). The country is expected to become the second largest steel producer.

The metal and mining industry of India has recorded a strong 19.8 per cent expansion in 2011 to touch US\$ 141.9 billion and is expected to reach 305.5 billion by 2016. Production volumes have also been growing steadily over the years, it registered a CAGR of 5.2 per cent.

India's iron and steel exports increased at a CAGR of 4.2 per cent. It's strategic location enables convenient exports to developed as well as the fast developing Asian markets. The Government of India has allowed 100 per cent foreign direct investment (FDI) in the mining sector under the automatic route. Mining lease has been granted for a long duration of minimum 20 years and up to 30 years. It has also approved MMDR Bill (2011) to provide better legislative environment for investment and technology.

There is significant scope for new mining capacities in iron ore, bauxite, and coal. Untapped metal reserves in India are to the tune of 82 BT. Strong long term demand from the steel industry is expected to further boost the iron ore industry.

## Segments of Metals and Mining Industry



## Scarcity of Resources

One of the major sustainability issues is the depletion of raw materials. In fact the risks involved probably are greater than the climate issue. Historically at shortages of essential materials, mankind usually has gone fighting for them. Therefore it is almost inevitable that we will soon do so again.

In addition we are depleting these resources for future generations and even for the living that still are too poor and underdeveloped to take their fair share of these materials.

However, the concept of scarcity is negotiable. Scarcity often depends on available technology and costs and may therefore be temporary. Short term scarcity is considered by the normal economy and in fact one of the main principles of the law of supply and demand. It is only long term scarcity that is insufficiently considered and increasingly financial speculation systems ruin sustainable and sound price formation.

With this evolves the concept of Urban Mining

**Urban Mining** is the process of reclaiming compounds and elements from products, buildings and waste which would otherwise be left to decompose in landfills. By changing the way we view our waste in relation to our urban landscapes we are able to mine – collecting and salvaging – valuable components to be reused and recycled, paving the way towards a zero-landfill future.

Urban mining is a growing trend that has resulted in new job opportunities and environmental and economic benefits from the

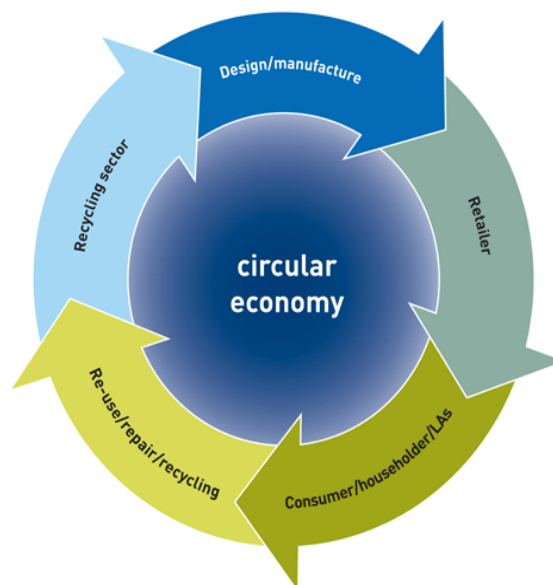


reclamation of components through recycling as opposed to primary non-renewable resources. Primary production of metals (e.g. mining, concentration, smelting, refining) has a significant environmental impact, especially for precious and special metals, because of the low concentration of these metals in the ores.

### ***Circular Economy***

By the late 1970s, the Western world had come to a crossroads. Already, many countries were consuming natural resources at a rate that was far less than sustainable. It became increasingly clear that new ways of approaching economic, agricultural and industrial systems were desperately needed in order to address the growing number of issues facing the sustainability of our environment.

That had a number of scholars, scientists, researchers and professionals envisioning a vastly different future. Many wanted to change traditionally destructive cycles, which had become a huge burden on the environment and on communities around the world.



It was at this time the idea of a circular economy first began to gain appeal. A circular economy is a synthesis of a number of different concepts that, using nature as a source of inspiration and direction, aim to address overconsumption and reckless waste buildup in the environment. It generally describes systems that value regenerative design and a closed loop approach to industrial processes.

#### **Why a circular economy is important**

As well as creating new opportunities for growth, a more circular economy will:

- reduce waste
- drive greater resource productivity
- deliver a more competitive UK economy.
- position the UK to better address emerging resource security/scarcity issues in the future.
- help reduce the environmental impacts of our production and consumption in both the UK and abroad.

## ***E-Waste Recycling***

Technology has become an essential part of the society, and many people depend on it in their everyday lives. This reliance has a direct correlation with the amount of electronic waste that is released into the waste disposal system. There are several management solutions that are used globally, but many regions still use unsafe methods to dispose their e-waste. The use of landfills and burning for disposal are practices that harm the environment and the surrounding communities, especially in developing ecosystems. It is vital for the Indian community to seek viable solutions to their e-waste disposal problems, focusing on benefits of proper recycling. A successful formal e-waste recycling operation not only helps limit the damage done to the environment and human health, but it also can provide new jobs for community members.

Green businesses are the key drivers of the economy in the current global business scenario. Of the various green initiatives, waste recycling creates the highest positive impact on the environment. Of all the different types of waste, electronic waste has the characteristics of:-

4. The fastest growing segment of waste
5. Most valuable due to its basic composition
6. Very hazardous if not handled carefully.

However, the sector is very new with only a few corporate players in India and globally. Most of the electronic waste management sector is currently handled by the unorganized / informal sector in India. However due to lack of skills, knowledge, awareness, etc., the sector has remained highly labour intensive, environmentally unfriendly and unhealthy. If done in the right way, and in an organized fashion, e-waste management can become a dominant economic sector.

It has been found that the e-waste business is highly profitable from the economic as well as environmental perspective. There are some established success stories around the world as well as a few in India. However, it is perceived that the unorganized sector has a cost advantage. Hence the organized waste management remains limited. However it has been found that the costs of the unorganized sector are not necessarily lower than the organized sector especially when we consider three major aspects

- d. Rising cost of labour
- e. Limited efficiency of labour
- f. Low quality of the final output

Automated or semi-automated large capacity plants require less labour, can consistently work at high efficiency and produce a much better quality of the final product. Therefore, they are extremely cost effective in the long run. Thus, even if there is competition of the unorganized sector, e-waste management can be an economically viable and a high returns business for the organized industry.

E-waste, as it's popularly known, includes the broad spectrum of electronic appliances, products, components, and accessories that - due to malfunction, exhaustion (batteries, light bulbs and fluorescent tubes), or obsolescence have been discarded. This new form of waste is now one of the fastest growing waste streams around the world and needs imperative action today. It is a term used to describe old, end-of-life electronic appliances such as computers, laptops, TVs, DVD players, mobile phones, mp3 players etc. which have been disposed of by their original users. While there is no generally accepted definition of e-waste, in most cases, e-waste comprises of relatively expensive and essentially durable products used for data processing, telecommunications or entertainment in private households and businesses.

E-waste is the by-product of the technological revolution. When disposed off in a landfill, it becomes a conglomeration of plastic and steel casings, circuit boards, glass tubes, wires, resistors, capacitors, fluorescent tubes, and other assorted parts and materials. It is both valuable as a source of secondary raw material, and toxic if treated and discarded improperly. When the term recycling is used to describe the disposal of these products, it does not always refer to discarding them. In many cases, these devices are still in working condition and could



be used by another consumer. So the reuse and resale of these products accounts for a portion of recycling system. But for devices that are no longer in a condition to be used, proper disposal methods must be facilitated.

The growth of e-waste has significant economic and social impacts. The increase of electrical and electronic products, consumption rates and higher obsolescence rate leads to higher generation of e-waste. The increasing obsolescence rate of electronic products also adds to the huge import of used electronics products. Rapid technological change, low initial costs and even planned obsolescence have resulted in a fast growing e-waste crisis around the globe. Due to lower environmental standards and working conditions in China and India, the huge mass of e-waste is being sent to the third world countries for processing – in most cases illegally.

### ***Indian Scenario of E-Waste***

India generates about 4.1 million tonnes of e-waste currently and it is expected to reach 8 million tonnes by 2025. In India e-waste is growing at the rate of 10% per annum and it constitutes 3- 8% of municipal solid waste. At present recovery is restricted to only useful components and for precious metals such as gold, silver, copper and other metals but the rest is discarded in to environment.

**Table 2 shows the amount of e-waste generated in top ten states**

S.NO	STATE	WEEE (Tonnes)
1	Maharashtra	20270.59
2	Tamil Nadu	13486.24
3	Andhra Pradesh	12780.33
4	Uttar Pradesh	10381.11
5	West Bengal	10059.36
6	Delhi	9729.15
7	Karnataka	9118.74
8	Gujarat	8994.33
9	Madhya Pradesh	7800.62
10	Punjab	6958.46

Source: (www.jocpr.com)

### ***What does E-waste Addresses***

In the last years, there is an increasing acknowledgment of our impact on the environment due to our lifestyle, while the need to adopt a more sustainable approach concerning our consumption habits emerges as of particular significance. This trend regards industrial sectors affecting the consumption habits and, especially, electronic industry where the short life cycles and the rapidly developing technology have led to increased e-waste volumes. The majority of e-waste elements are led to landfills. However, their partial recyclability, due to their material composition along with the unavoidable restrictions in landfills, has led to the development of retrieval techniques for their recycling and re-use, highlighting the significance of e-waste recycling, not only from a waste management aspect but also from a valuable materials' retrieval aspect.

E-waste differs chemically and physically wise from urban or industrial waste. It contains both dangerous and valuable materials requiring special treatment and recycling practices to avoid adverse environmental impact and harmful impact on human health. Retrieving the valuable and base metals is possible by recycling e-waste, but the high labour cost and the strict environmental legislation have consolidated these activities' implementation mostly in Asian countries such as China and India by use of obsolete methods and inadequate emphasis on the employees' protection.

The way that much of the precious metal in electronics are retrieved is through a process very much related to recycling called extraction. Extraction involves the use of a number of chemical or organic solvents to separate the metal from the less desirable parts of the unit.



This process is a highly dangerous one and requires tons of safety measures, especially when chemicals such as cyanide are used.

The recycling and extraction process are so related they easily go hand-in hand. Recycling breaks the end-of-life device into a smaller parts that can then undergo extraction conveniently and safely, and on a large scale.

E-waste is classified as hazardous material therefore should be managed properly. However, the presence of precious metals (PMs) in e-waste such as gold (Au), silver (Ag), platinum (Pt), Gallium (Ga), palladium (Pd), tantalum (Ta), tellurium (Te), germanium (Ge) and selenium (Se) makes it attractive for recycling.

### ***General Driving Force for E-Waste Processing:***









There are three general reasons for e-waste processing: environmental concerns, energy savings and resource efficiency.

- a) ***Environmental Concerns:*** E-waste is composed of a large number of components of various sizes, shapes and chemistry. Some of them contain hazardous metals including Hg, Pb and Cd. Such components are removed through separate treatment and recycling processes. The disposal of e-waste underground has multiple disadvantages including the contamination of underground water and soil, and wasting a potential source of valuable metals.

In the last decade many countries have formulated legislations on e-waste management. It is no longer permissible to dispose e-waste underground or burn it in incinerators without isolating the hazardous materials. Moreover, exporting e-waste to underdeveloped countries is not permissible according to the international regulations. Disposing underground, burning in air and acid leaching will deteriorate the environment by spoiling drinking water and releasing toxic gases into the atmosphere. Therefore, recycling of e-waste is crucial from the perspective of minimizing environmental pollution and resource management.

- b) ***Energy and Resource Conservation:*** Recycling of e-waste for metal recovery is also important from the perspective of saving energy. The U.S Environmental Protection Agency has identified seven main benefits for using recycled metals over their virgin materials. One of the major benefits is a significant energy saving using recycled materials compared to virgin materials.

Moreover, processing of e-waste will reduce burden on mining ores for primary metals. Therefore, scarce resources could be conserved. The amount of gold recovered from one ton of e-waste from personal computers is more than that recovered from 17 ton of gold ore.

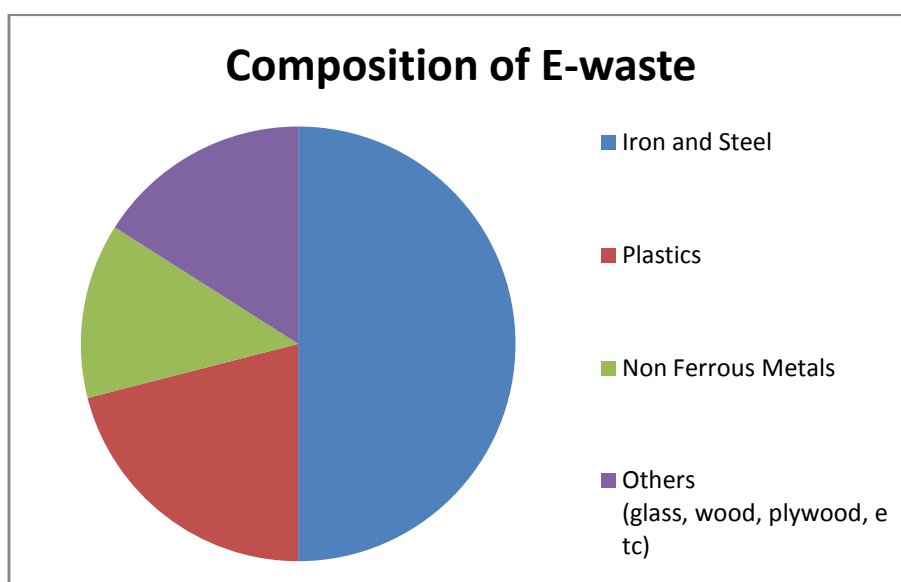
E-waste Sources	
	Individual households and small businesses
	IT/Software Companies
	Electronic goods manufacturers (Process waste)
	E-waste tenders (Online & Offline)
	Contracts with governments/private organisations
	Schools/Colleges/Hospitals/Commercial Complexes
	Aggregators and electronic retailers
	Large companies and bulk generators

### *E-waste Equipments*









### *Compositions of E-Waste*

Electrical and Electronic equipment contains metallic and non metallic elements, alloys and compounds such as Copper, Aluminium, Gold, Silver, Palladium, Platinum, Nickel, Tin, Lead, Iron, Sulphur, Phosphorous, Arsenic etc. If discarded in the open, these metals can cause a severe environmental and health hazard.



Hazardous substances that can be found in electronic equipment include: mercury, beryllium, lead, arsenic, cadmium, antimony and plastics, glass and ceramics. Depending on many factors, such as the age of the device, manufacturer, the type of equipment, the content of the individual electronic component in the waste is mixed.

Element description	Element view
<b>Printed circuit boards (PCBs)</b> A circuit made mostly of copper is soldered to the board with protective coatings and adhesives. The board is made of epoxy resin or fibreglass and generally coated with gold. Solder joints are made on silver-plated copper contacts. On the PCBs there are plastic, metal and ceramic housing components. Precious metals and other hazardous substances in the PCBs are Pd, Ag, As, Sb, Be, Br, Cd, Pb, Ni, Tl, Zn.	
<b>Liquid Crystal Display (LCD)</b> The LCD contains liquid crystals which are embedded between layers of glass. The liquid crystalline substances can contain toxic substances such as mercury. A typical mobile phone contains several mg of liquid crystal substance.	
<b>Battery</b> The battery enclosed in a sealed plastic housing can belong to one of three types: lithium-ion (Li-ion), nickel-metal-hydride (NiMH), nickel-cadmium (Ni-Cd) batteries - batteries present in the older types of phones, which are still in circulation.	
<b>Plastic Casing</b> The plastic material used to case the phone together is usually polycarbonate (PC), acrylonitrile butadiene styrene (ABS) or a combination of the two.	
<b>Other Components</b> Antenna, speaker, microphone, keypad, accessories - most of these components are very small and contain various elements in terms of material composition: metallic and non-metallic elements.	
<b>Charger</b> The chargers mainly consist of copper wires encased in plastic, but materials such as gold, cadmium and brominated flame retardants may also be present.	

### ***Effects on Environment and Human Health***

Disposal of e-wastes is a particular problem faced in many regions across the globe. Computer wastes that are land filled produces contaminated leachates which eventually pollute the groundwater. Acids and sludge obtained from melting computer chips, if disposed on the ground causes acidification of soil. Incineration of e-wastes can emit toxic fumes and gases, thereby polluting the surrounding air. Improperly monitored landfills can cause environmental hazards.

The most dangerous form of burning e-waste is the open-air burning of plastics in order to recover copper and other metals. The toxic fall-out from open air burning affects both the local environment and broader global air currents, depositing highly toxic by products in many places throughout the world.

### ***E-Waste Disposal Effects in Guiyu, China***

Guiyu, in Guangdong Province, China, is an agglomerate of four adjoining villages widely perceived as the largest electronic waste (e-waste) site in the world. In 2005 there were 60,000 e-waste workers in Guiyu who processed the more than 100 truckloads that were transported to the 52 square kilometre area every day. The constant movement into and processing of e-wastes in the area leading to the harmful and toxic environment and

living conditions, coupled with inadequate facilities, have led to the Guiyu town being nicknamed the "electronic graveyard of the world".

Many of the primitive recycling operations in Guiyu are toxic and dangerous to workers' health with 80% of children suffering from lead poisoning. Above-average miscarriage rates are also reported in the region. Workers use their bare hands to crack open electronics to strip away any parts that can be reused—including chips and valuable metals, such as gold, silver, etc. Workers also "cook" circuit boards to remove chips and solders, burn wires and other plastics to liberate metals such as copper; use highly corrosive and dangerous acid baths along the riverbanks to extract gold from the microchips; and sweep printer toner out of cartridges. Children are exposed to the dioxin-laden ash as the smoke billows around Guiyu, and finally settles on the area. The soil has been saturated with lead, chromium, tin, and other heavy metals. Discarded electronics lie in pools of toxins that leach into the groundwater, making the water undrinkable to the extent that water must be trucked in from elsewhere. Lead levels in the river sediment are double European safety levels, according to the Basel Action Network. Lead in the blood of Guiyu's children is 54% higher on average than that of children in the nearby town of Chendian. Piles of ash and plastic waste sit on the ground beside rice paddies and dikes holding in the Lianjiang river.

Source: ([https://en.wikipedia.org/wiki/Electronic\\_waste\\_in\\_Guiyu](https://en.wikipedia.org/wiki/Electronic_waste_in_Guiyu))

Toxic elements/Pollutants	Occurrence
Arsenic	Semiconductors, diodes, microwaves, LEDs (light-emitting diodes), solar cells
Asbestos	Irons, boilers, toasters (heat insulation)
Barium	Electron tubes, filler for plastic and rubber, lubricants additives
Brominated flame-proofing agent	Casing, circuit boards (plastic)
Cadmium	Batteries, pigments, solder, alloys
Chrome	Dyes/pigments, switches, solar
Cobalt	Insulators
Copper	Conducted in cables, copper ribbons, coils, circuitry pigments
Lead	Lead rechargeable batteries, solar, transistors, lithium batteries, PVC (polyvinyl chloride) stabilizers, lasers, LEDs, thermoelectric elements
Liquid crystal	Displays
Lithium	Mobile telephones, photographic equipment, video equipment (batteries)
Mercury	Components in copper machines and steam irons; batteries in clocks and pocket calculators
Nickel	Alloys, batteries, relays, semiconductors, pigments
PCBs (polychlorinated biphenyls)	Transformers, capacitors, softening agents for paint glue
Selenium	Photoelectric cells, pigments, photocopiers, fax machines
Silver	Capacitors, switches (contacts), batteries, resistors
Tin	Soft solder, fusible alloys, flame-proofing agent
Zinc	Steel, brass, alloys, disposable and rechargeable batteries, luminous substances

### Current Scenario

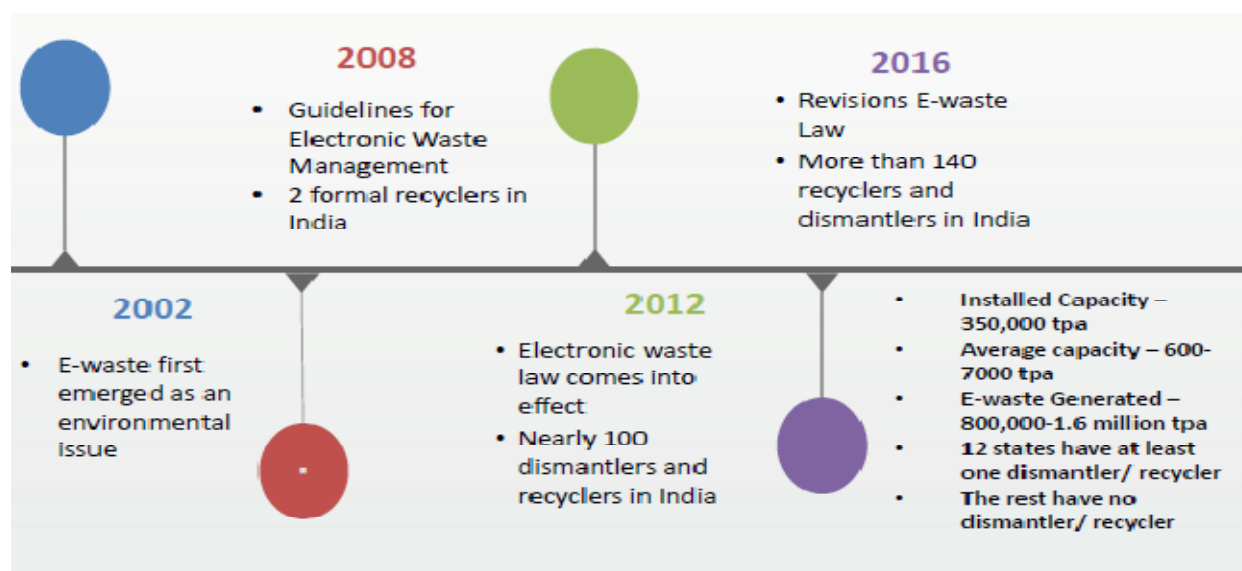
With the socio economic development, consumption of electronic equipment is increasing rapidly that generates e-waste in the same proportion. Around 50 Million Tons of E-waste was generated in the year 2016 (7Kg/Person) out of which only 12.5% (6.5 Million tons approx.) of e-waste is documented and recycled with highest standards officially. Around 3 Million Tons of toxins are generated globally from e-waste at present in the form of hazardous wastes and toxic gases polluting air, water and soil. Asia generated the highest amount of e-waste globally (16 Million Tons) followed by America (11.7 Million Tons) and Europe (11.6 Million Tons) in the year 2015. India generates around 1.7 Million Tons of e-waste annually at present.

Development and execution of electronic waste management systems varies from country to country. A system may be successful in one nation but not in another, therefore, it is essential to understand the existing management system and tailor each system to the area concerned. Economic and environmental feasibility are two important factors to determine the status of waste management in countries. The Indian government has begun to promote effective e-waste recycling. However, the education of community members is another extremely important factor, because without participation, these systems would never succeed. Regulations and awareness are the foundation of an effective waste management system.

It is evident that many steps have been taken to establish a successful e-waste recycling system in India; the main barrier is the lack of proper incorporation of existing regional systems and newer recycling solutions. An important issue is the financial plan that would ensure a profitable operation. Expenses such as rental of space, payroll, operational costs must be balanced with sources of income such as sales to buyers of recovered materials and possible government assistance to e-waste recycling facilities.

Sixty-five cities in India generate more than 60% of the total e-waste generated in India. Ten states generate 70% of the total e-waste generated in India. Maharashtra ranks first followed by Tamil Nadu, Andhra Pradesh, Uttar Pradesh, West Bengal, Delhi, Karnataka, Gujarat, Madhya Pradesh and Punjab in the list of e-waste generating states in India. Among top ten cities generating e-waste, Mumbai ranks first followed by Delhi, Bangalore, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Surat and Nagpur.

### Evolution of E-waste Management in India



### ***Hazardous Disposal Methods and Impacts of unorganized dismantling of e-waste***

The traditional method used for the disposal of e-waste is land filling and incineration, where the disadvantages of the prevailing methods are discussed below.



**Landfilling:** This is the most common method used for the e-waste disposal. Soil is excavated and trenches are made for burying the e-waste in it. An impervious liner is made of clay or plastic with a leachate basin for collection and transferring of the leachate from the e-waste to the treatment plant. However, landfill is not an environmentally sound process for disposing off the e-waste toxic substances like cadmium; lead and mercury which are capable of contaminating the ground water and also degrades the quality of soil.

**Incineration:** This is a controlled way for disposing the e-waste and it involves combustion of electronic waste at high temperature in specially designed incinerators. This e-waste disposal method is quite advantageous as the waste volume is reduced extremely much and the energy obtained is also utilized separately. However, it is not free from disadvantages like emission of the harmful gases such as dioxins and furans which are highly carcinogenic.

There are around 5 lakh Kabadies present in our country to whom we should be thankful as they have so far collected and dismantled our e-waste, but because of their poor understanding of the hazardous nature of e-waste they did not take care of pollutants while recovering saleable commodities and in turn spoiled air, water & soil. Unfortunately, we are forced to breathe polluted air, drink polluted water and practically all eatables have one or the other toxic element. In fact, these Kabadies spend almost 40% of their earnings on medical expenses, live shorter than 60 years, their children hardly go for formal education and the ladies are the worst sufferers.

These labors would often shift through the waste by hand and use improper tools for extraction of precious, valuable materials. Though such remedial methods were often times dangerous and inefficient, they turned out to yield a profit, and a small business sector arose based on selling recycled parts. It has been established that e-waste, in the absence of proper disposal, find their way to scrap dealers, which are further pushed into dismantler's, supply chain. Existing environmentally sound recycling infrastructure in place is not equipped to handle the increasing amounts of e-waste. The major dismantling operations are occurring in unorganized/informal sector in hazardous manner. The potential of increased e-waste generation and lack of adequate recycling facilities have attracted the attention of a number of recyclers globally, expressing interest to start recycling facility in India.

### ***Regulatory frame work***

Due to increase of e-waste in the recent years, many initiatives worldwide have been created to deal with management of all kinds of wastes. Various government and global authorities around the world have made regulation that directly governs handling, movement and disposal of e-waste. In addition to government regulations, there are some companies that have taken steps towards better e-waste management. In India, the responsibility of recycling electronics has been placed on the manufacturer and in turn the recyclers through newer regulations. Prior to this legislation most of the e-waste recycling and management was performed by unskilled labors.



The reasons behind improper handling of e-wastes are lack of regulatory forces, insufficient and inefficient collection, and absence of optimal recycling/recovering facility. The legislative situations in countries like India is grim as laws are not adequate to take care of the stocking, disposal and land-filling of e-waste. A significant challenge is to create awareness of the environmental, social and economic aspects of e-waste among the public consumers, producers, institutions, policymakers and legislators.

To channelize movement of end of life equipment (e-waste), the Central Government has notified **E-waste Management Rules, 2016**, which will replace previous Rules of 2011 and the new rules will be applicable from 1st October, 2016. As per the requirements of the Rules; the producers of electrical & electronic equipment (EEE) are responsible to collect back waste electrical & electronic equipment (WEEE) from the respective generators for environment friendly recycling of end of life equipment.

Export promotion being a constant endeavour of the government, export performance is constantly monitored and export strategy and export policies are formulated. In the **Foreign Trade Policy** for the years 2015-20 announced in April 2015, the Government spelt out a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the 'Make in India' and "Digital India" programme.

*Source: (<http://www.gktoday.in/blog/foreign-trade-policy-2015-20>)*

The **Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal**, usually known as the **Basel Convention**, is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries (LDCs). It does not, however, address the movement of radioactive waste. The Convention is also intended to minimize the amount and toxicity of wastes generated, to ensure their environmentally sound management as closely as possible to the source of generation, and to assist LDCs in environmentally sound management of the hazardous and other wastes they generate. The Convention was opened for signature on 22 March 1989, and entered into force on 5 May 1992. As of November 2016, 184 states and the European Union are parties to the Convention. Haiti and the United States have signed the Convention but not ratified it.

The **National Environmental Policy Act (NEPA)** is a United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality (CEQ). The law was enacted on January 1, 1970. As the bill was an early step towards the development of the United States' environmental policy, NEPA is referred to as the "environmental Magna Carta". NEPA's most significant outcome was the requirement that all executive federal agencies prepare environmental assessments (EAs) and environmental impact statements (EISs). These reports state the potential environmental effects of proposed federal agency actions. NEPA does not apply to the President, Congress, or the federal courts.

*(Source: [https://en.wikipedia.org/wiki/National\\_Environmental\\_Policy\\_Act](https://en.wikipedia.org/wiki/National_Environmental_Policy_Act))*

There is an increasing trend in the reduction in the use of hazardous substances such as lead, cadmium, mercury, polychlorinated biphenyls (PCBs) and other toxic and hazardous substances for which safe substitutes have been found. Many countries have adopted the RoHS (Restrictions of Hazardous Substances) regulations in the manufacture of electrical and electronic equipments.

The Extended Producer Responsibility (EPR) is an environment protection strategy that makes the producer responsible for the entire life cycle of the product, especially for take back, recycle and final disposal of the product. Thus the producers' responsibility is extended to the post-consumer stage of the product life cycle. This needs to be included in the legislative framework making EPR a mandatory activity associated with the production of electronic and electrical equipments over a period of time.

The establishment of E-waste Recycling & Treatment Facility shall be in line with the existing Guidelines/best practices/requirements in India for establishing and operating “Recycling and Treatment and Disposal Facilities” for hazardous wastes. Such facilities shall be set up in the organized sector. However, the activities presently operating in the informal sector need to be upgraded to provide a support system for the integrated facility. This would enable to bring the non-formal sector in the main stream of the activity and facilitate to ensure environmental compliances.

The procedures for setting up & management of e-waste facility shall include licenses from all appropriate governing authorities such as environmental clearance, recycler registration from Central Pollution Control Board under HW Rules, obtaining of consents under water act, Air act and authorization from the state pollution control board.

### ***Steps required for formalizing environment friendly recycling***

There are two ways to deal with, either we make the entire 1.3 billion public aware about the hazardous nature of end of life electrical & electronic equipment and suggest everyone to give their e-waste for environment friendly recycling or simply enhance skill sets of the 500,000 informal sectors and integrate them with the formal reverse logistic and recycling network, so that, they can continue to earn their livelihood and provide healthier & respectable life to their family members.

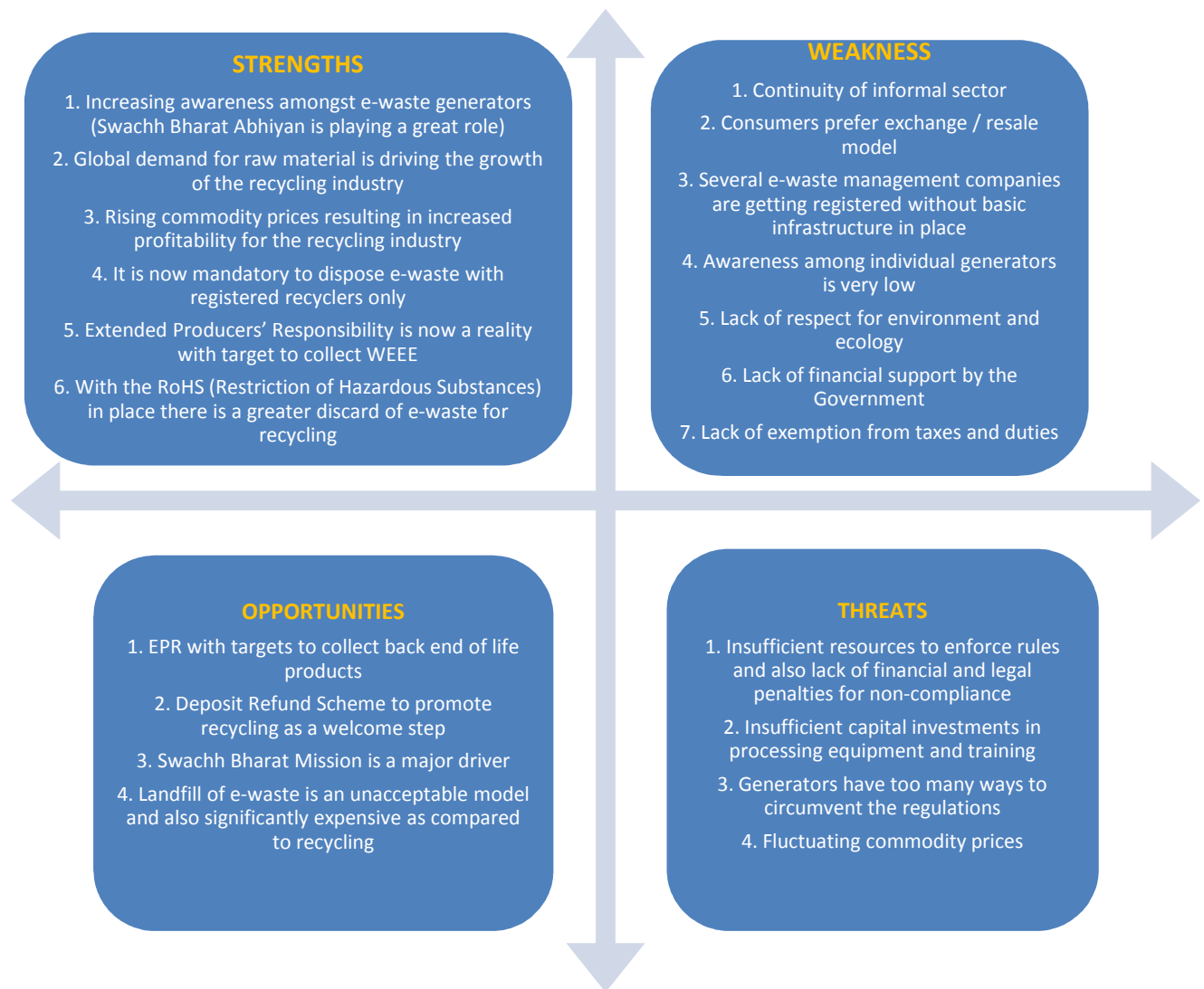
Globally, there are a few countries, which has Extended Producers’ Responsibility (EPR) model in place but there is no other country except India which also has Corporate Social Responsibility (CSR) as a mandatory requirement to spend 2% of profits on certain types of projects which includes waste water management and skill development.

### ***What can be done***

Focus should be shifted to the following:

- Identify and work with forward thinking municipalities to experiment and adopt new model as per regional needs.
- Identify leading manufacturers willing to invest, think creatively and work closely with others.
- Create ‘safe spaces’ or forums to bring stakeholders together.
- Promote cross- country learning.
- Engage with donors and pioneers for better outreach.



**SWOT Analysis****Conclusion**

The e-waste management which is a colossal task in developing countries like India and is more complicated due to the lack of stringent rules and regulation for monitoring the large quantity of e-waste getting generated. Providing proper infra-structure for processing the e-waste and starting an effective training program for innovative recycling & recovery methods and for there use of e-waste will strengthen the future generation technically to solve the burning issue. An effective take-back program providing incentives for producers to design products that uses less toxic materials thereby reducing the resource, and also design products that are easier to disassemble, reuse, and recycle may help in reducing the wastes. Most of the e-waste finds its way to the unorganized sector with profit as the prime motivating factor, hence technical improvements of informal recycling processes coupled with proper training in handling waste electrical and electronic equipment's has to be offered to the local industry and community so to obtain better environmental performance without sacrificing the economic and social benefits. Thus handling of e-waste undeniably requires better management and improved working environment guided by strict regulations.

## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no.17 of this Draft Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no.17, 213 and 248 respectively, of this Draft Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Felix Industries Limited and Group Entities as the case may be.*

### Overview

Our Company was originally incorporated as “Felix Industries Private Limited” on September 18, 2012 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Our Company was subsequently converted in to a public company and consequently name was changed to “Felix Industries Limited” (FIL) vide fresh certificate of incorporation dated April 24, 2017 issued by Registrar of Companies, Ahmedabad, Gujarat. The CIN of the Company is U40103GJ2012PLC072005.

The Promoters of the company - Mr. Ritesh Vinay Patel & Mr. Sagar Samir Shah with an aim of running a Waste-Water and E-waste recycling business started these division as a part of business growth. The Company is registered with the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on 18th September, 2012 as Felix Industries Private Limited.

Established in 2012, Felix Industries Ltd is an Environmental Conservation Company with a fundamental vision of “Recycle-Reuse-Recover-Reduce”. The company is based out of Ahmedabad, Gujarat and spear headed by Mr. Ritesh Vinay Patel, a Chemical Engineer with an experience of close to eight years and Mr. Sagar Samir Shah who holds Masters Qualification in Environmental Biotechnology and Sustainable Waste Management with an experience of three years. With a journey of over five years the company has forayed into different business segments i.e. Water and Waste Water Recycling, Industrial Piping, Nano Products (Membrane Technologies) and E-waste Recycling.

Felix through its water treatment division provides its services to industries such as steel, chemical, pharmaceutical, plastic, paper & pulp, leather, automotive, textile & dyes, food and dairy etc. Our company also provides complete water and waste water solutions using Membrane Separation Technology including pre-treatment and post-treatment.

Our company during FY12, was appointed as an authorized distributor and marketing associate of Astral Poly Technik Ltd for its industrial piping sales. Further during same year it also entered into a tie-up with an MNC name The Aliaxis Group to market and distributes their Thermoplastic products with the exclusivity of distributing the products in entire state of Gujarat. Through this division, our company provides a range of thermo-plastic pipes, fittings & valves and also provides end-to-end service right from selection of pipes to design, supply and installation.

Felix is a government approved e-waste recycling company with a processing capacity of 6000 MT per year and it also has one of the largest recycling capacities in India. The E-Waste collected from pan India is processed at

the company's plant located at Electronic Estate, Gandhinagar where activities like e-waste collection, storage, dismantling and segregation takes place. The premises are well equipped with all the necessary facilities and follow all the safety procedures required for a good working environment along with a dedicated team of experts to identify process and re-use E-waste. The purpose behind starting this division was to take care of the growing menace of electric and electronic waste and will help reduce their environmental effects.

Our promoters, Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah have the required experience of the said industry of around six and three years respectively, through which they have been taking right steps towards the direction of developing the waste-water and e-waste recycling business in a more organized manner thereby expanding their horizon to various industries and geographies across the world. For further information on our business, please refer to "Business Overview" beginning on page no.137 of this Draft Prospectus.

Our Revenues have grown from Rs. 315.12 Lakhs in fiscal 2016 to Rs. 517.25 Lakhs in fiscal 2017. Our net profit after tax was Rs. 11 Lakhs in fiscal 2016 and Rs. 17.20 Lakhs in fiscal 2017. For further details pertaining to our financial performance, please see "Financial Information" beginning on page no. 213 of this Draft Prospectus.

## **1. Business Segment**

Established in 2012, Felix Industries Ltd is an Environmental Conservation Company with a fundamental vision of "**Recycle-Reuse-Recover-Reduce**". The company is based out of Ahmedabad, Gujarat and spear headed by Mr. Ritesh Vinay Patel, a Chemical Engineer with an experience of close to six years and Mr. Sagar Samir Shah who holds Masters Qualification in Environmental Biotechnology and Sustainable Waste Management with an experience of three years. With a journey of over five years the company has forayed into different business segments

- ❖ Water and Waste Water Recycling,
- ❖ Industrial Piping,
- ❖ Nano Products (Membrane Technologies) and
- ❖ E-waste Recycling.

The Go-Green concept of Felix Industries magnifies the basic idea of **recycling** the industrial effluent and **reusing** it, which provides maximum **recovery** and thus **reduces** the discharge of the waste water.

### **1.1 Water and Waste-Water Division**

#### **A) INTRODUCTION**

With India projected as a water stressed nation by 2025, need to concentrate efforts on water and waste water treatment for sustainability. The Indian Government has started to support Private Party Participation (PPP) in the water sector and has introduced many regulatory reforms to encourage water treatment programs. The efforts seem to have made a progress as the Indian water and waste water treatment is expected to reflect a growth phase in the coming years. Proposed tax breaks for industries that save water and environmental concerns can be cited as the two main causes for the gaining importance of water recycling and other treatment solutions.

#### **Market Dynamics**

Water and waste water treatment market in India expected to reach around INR 22,000 Crores by FY 2018. Rise in demand for water and waste water treatment in India, which is expected to grow at around 18 to 20% as growing cities overwhelmed by water and sewage drive government contracts. In most of India, outside of the biggest cities doesn't even have a waste water collection system, which is biggest opportunity for water treatment companies. Agriculture accounts for around 70 to 75% of India's water consumption, industrial demand is growing at 2 to 3 times the pace of municipal or farm use.

### **Companies, Technologies & End user Segments**

Industry presence with over 250 companies operating in Water and waste water treatment market place. Around 25 to 30 organised companies operating across India offering wide range of products & solutions. Also presence of large numbers of medium & small companies operating at regional level, with limited product & solution ranges. Key companies include VA Tech Wabag, Doshion, Driplex, Hindustan Dorr Oliver, Degremont, Praj, Aquatech, Paramount Ltd, Siemens, GE, UEM, Fontus, Veolla Water. Few companies have manufacturing set up at multiple locations & few have technical collaborations with international firms.

Municipal corporations continue to be relatively large users of water & sewage treatment plants. Municipalities across India are in search of workable and cost effective water & sewage treatment Technologies. Water scarcity is now making it mandatory for industry in several states to go for water recycling & Zero Liquid Discharge. Power, textiles, petrochemicals, refineries, steel, pharma, fertilizers & chemicals are major user segments in industrial sector. Bulk water user segment like Municipal corporations & building projects use basic treatment as the water and effluent quality generated is high. Pharma segment use the water for critical process and the quality of water used has direct impact on the quality of final product manufactured. Other industrial process water and waste generation segment has high water requirement and the treatment used varies depending upon the criticality of the process & end application.

### **B) BUSINESS OFFERINGS**

Our primary business is water engineering which involves the use of technology for the treatment of water and wastewater in order to obtain water for specific purposes such as drinking and reuse in industries or safe disposal. Our business thus involves drinking water treatment, effluents treatment, sewage treatment, sludge treatment, desalination and de-mineralization, among others.

### **C) PROJECT CYCLE**

We have wide experience in various product segments like drinking water treatment, effluents treatment, sewage treatment, sludge treatment, desalination and de-mineralization. In certain circumstances where the pre-qualification conditions can be fulfilled only by GEA Engineering as it has built a larger number of plants, our Company will bid in collaboration with GEA Engineering and hence rely on its experience to pre-qualify and then execute the project with technological support from GEA.

#### **➤ Business Development**

We majorly participate in published tenders in India and overseas. Most industrial projects and select municipal projects involve a reputed consultant employed by the client who identifies the needs of the customer and documents it in the form of a tender and publishes the same. Where there is a good relationship with the client due to business development activities, a client may approach us to enquire about designs and solutions which meet their requirements. This often functions as an entry barrier for other companies who participate in the tender. We undertake marketing and business development efforts where we approach potential clients and provide specific solutions without any publication of tender. The client may then negotiate rates directly with us without publishing a tender. We also participate in seminars and exhibitions and make specific presentations to individual customers as part of business development.

#### **➤ Tendering / Bidding**

The client publishes a tender which specifies the pre-qualifications, both technical and commercial. We then submit the pre-qualification documents. If we are approved by the client, we provide a techno-commercial bid. Municipal clients usually only take up the lowest bid for further negotiation and for finalization of the order. There must be a minimum of two or three valid bids for the client to go ahead and place an order. Bids are usually accompanied by bid bonds/bank guarantee for about 1% of value of tender on an average. The bid bond may be invoked if we fail to accept the order when placed. The execution team is involved in certain projects which exhibit fair potential of being won by us to ensure smooth handover from the sales team to the execution team even before contract is awarded.

### ➤ Engineering & Design

On receipt of the order from the client, we hand over documents from the proposal team to the execution team to begin the engineering and design process. We then submit plans to the client for approval and once the plans are approved, we place orders for various equipment that may be required and begin construction at the site.

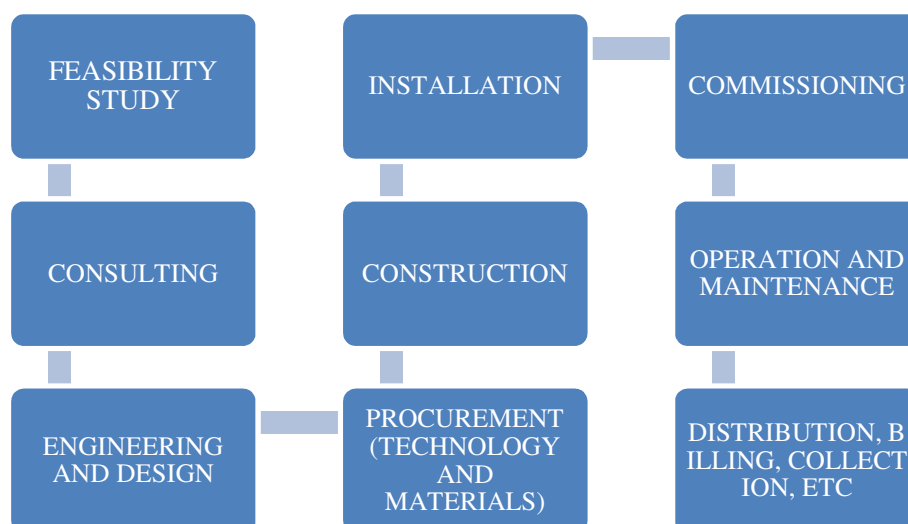
### ➤ Procurement

We float tenders with vendors on our panel and place orders on the selected tenders who meet our requirement and who are assessed competitive. We do not publish tenders but instead send written enquiries in detail. We empanel vendors on our panel and only send enquiries to vendors on our panel or the ones approved by our client. We procure material from India and overseas depending on client requirements and acceptance. In some cases, the client must also approve the vendor. We also enter into rate contracts with select vendors where we do not negotiate.

### ➤ Construction

We outsource construction to civil contractors. As construction progresses, the equipments reach the project site and we install the same and commission it. At every stage, the client certifies the work completed in terms of structure or the erection and commissioning of the equipment. The overall plant commissioning work is taken after the plant is mechanically completed. We run the performance guarantee trial run at the end of the project and obtain a provisional acceptance certificate and at end of the warranty period of average 12 months, the final acceptance certificate is issued by the client. We are required to provide a performance bank guarantee for about an average of 10% of the entire project life cycle.

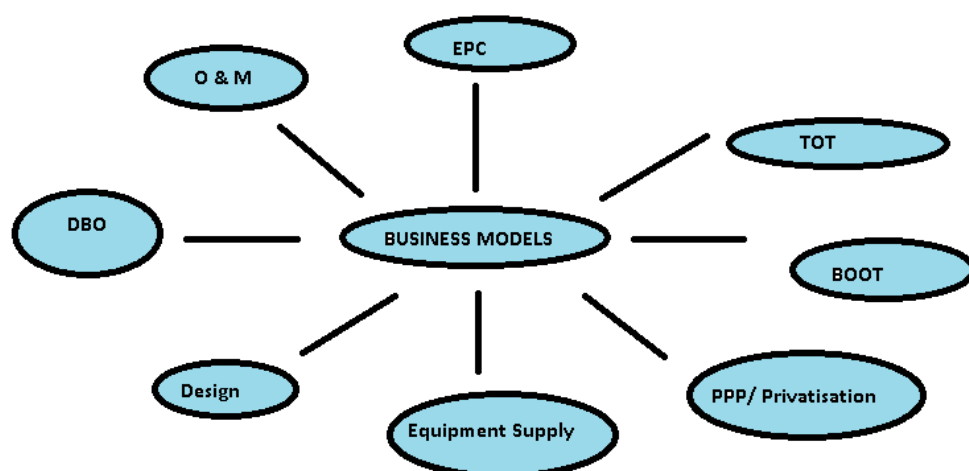
### *Waste water treatment Project Life cycle*



## D) BUSINESS MODELS

1. **EPC contracts:** In this type of contract, we are responsible for the design and engineering of the plant, procurement and supply of equipment, construction of the plant and installation of equipment, commissioning of the plant and demonstration of desired performance parameters.
2. **Design, Build and Operate contracts (“DBO”):** In this type of contract, we are responsible for design and construction of the plant. We are also responsible for the O&M of these plants for a period determined by the customer.

3. **Build, Own, Operate and Transfer contracts (“BOOT”)**: Under BOOT arrangement, the BOOT contractors organize funds and invest in construction of the plant and operate it for the entire concession period of 15-20 years. The capital cost and operating cost of the plant is combined in such a way that it can be recovered through a rate per cubic metre of water / waste water treated
4. **Transfer, Operate and Transfer contracts (“TOT”)**: In this type of contract the TOT contractors invest in the refurbishment of the existing facilities and in return gets the right to operate it for a concession period, usually 5 to 7 years to enable the project contractor to recover its investment, together with the operating and maintenance costs. At the end of the concession period the asset is transferred back to the original (public) entity. But in most cases, it is difficult to assess the exact cost of refurbishment in the beginning due to lack of historical information about the existing facilities and as result it leads to underestimation of the cost and the payment received from the subsequent O&M services may not fully recover the cost of refurbishment for the contractor. To address this risk, many TOT players get into an arrangement whereby they are paid fully for the refurbishment once it gets completed and are paid separately for operating the plant post refurbishment.
5. **Equipment Suppliers**: Equipment suppliers refer to the manufacturers of various water related equipment used in the entire water cycle such as pumps, valves, technology products like filtration membranes, process equipment etc. Majority of equipment suppliers like to confine themselves to supply of equipment and undertake process related guarantee for those items backed by their in-house technology capabilities. They normally do not prefer to take up the responsibility of EPC business, particularly the construction part of it.
6. **O&M standalone contracts**: In this type of contract, we provide O&M services for a plant where we did not provide any EPC work. Once the contractual period as envisaged for O&M ends in a DBO contract, clients floats fresh tenders for O&M activity and we bid for the same.
7. **Public-Private Partnership (“PPP”)**: The public authority entrusts a company with responsibility for the full provision of a public service, with the company assuming all or part of the operational risks. Generally, the provision of the service is then financed by the fees and charges paid by the end user of the service. The contractor thus has financial and operating responsibility for provision of the service, but must do so in accordance with the terms set by the public authority encompassing needs to be satisfied, expected performance and prices charged to end users. This is the logic of “delegated management” contracts or “concession arrangements” under EU law (also known as a Public Private Partnerships – PPP).





EPC contracts executed under the above business models fall into the following two categories:

1. **Lumpsum turnkey contracts:** In this type of contract, the project is implemented for a fixed fee, irrespective of the changes in the bills of quantity (“BOQ”).
2. **Item Rate Contracts:** In this type of contract, the bidding is on price per unit of each of the BOQ items. Therefore whenever there are changes in BOQ, the contractor is paid based on the unit rate quoted.

O&M contracts executed under the above business models fall into the following two categories:

1. **Fixed Price:** In this type of contract, the services are billed at a fixed rate, irrespective of the changes in quality or quantity of water/wastewater treated.
2. **Variable Price:** In this type of contract, the billed value is variable depending on the quantity or quality of the water/wastewater treated.
3. **Combination of both.**

### **Key terms of contracts**

Contracts, irrespective of their type (i.e., turnkey, item rate), may contain price variation or escalation clauses, liquidated damages clauses and provide for a defects liability period as discussed below.

### **Price escalation:**

Most municipal contracts contain price escalation clauses but these are available in only few of our contracts with industrial clients. Price escalation clauses provide for reimbursement by the client in the event of a variation in the total contract value in general but more usually in the prices of key raw materials such as steel and cement and link the escalation in amounts payable by the client to pre-defined price indices such as published GoI indices or other government indices mainly from the country of plant site or international indices.

### **Liquidated damages:**

Liquidated damages cover both performance as well as delay related issues. Quality parameters for liquidated damages include quantum of water produced, specification of the water produced as well as power and chemical guaranteed by us (which are not to be exceeded) in EPC contracts. Liquidated damages are usually 5-10% each for performance and delay in EPC contracts and 10% for O&M contracts but may even be unlimited in some instances. Our contracts generally specify a cap on the maximum liquidated damages that may be levied.

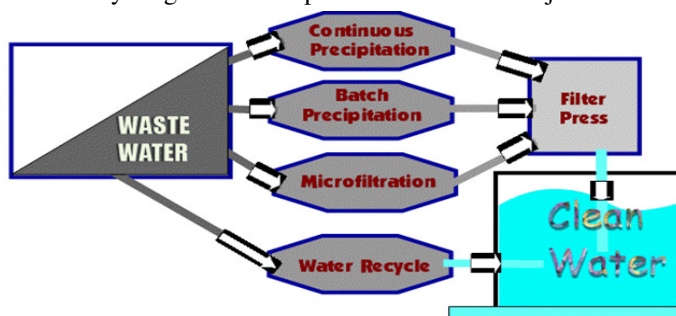
### **Defects liability period:**

The defects liability period is generally 12 months for the plant. It may extend up to five years for civil construction. During the defects liability period, our Company is responsible for the defective design and workmanship of components for which our Company enjoys back-to-back guarantees from the vendor. Our Company’s process warranty ends with its running the performance guarantee trial run. The defects liability period may sometimes overlap with the responsibility for O&M in DBO contracts.

## **E) TECHNOLOGY**

The company through its Water and Waste Water Recycling division has been engaged into designing, engineering, procurement and construction of effluent recycling and reuse plants where their major areas of focus and expertise are:-

1. Effluent and Sewage Treatment
2. Zero Liquid Discharge
3. Evaporation and Reject Treatment
4. Product Recovery
5. Speciality Membranes





We use a technology or combination of them to create a higher value proposition to our customers. We also use a combination of freely available technologies to deliver superior products to our customers, some of which are:

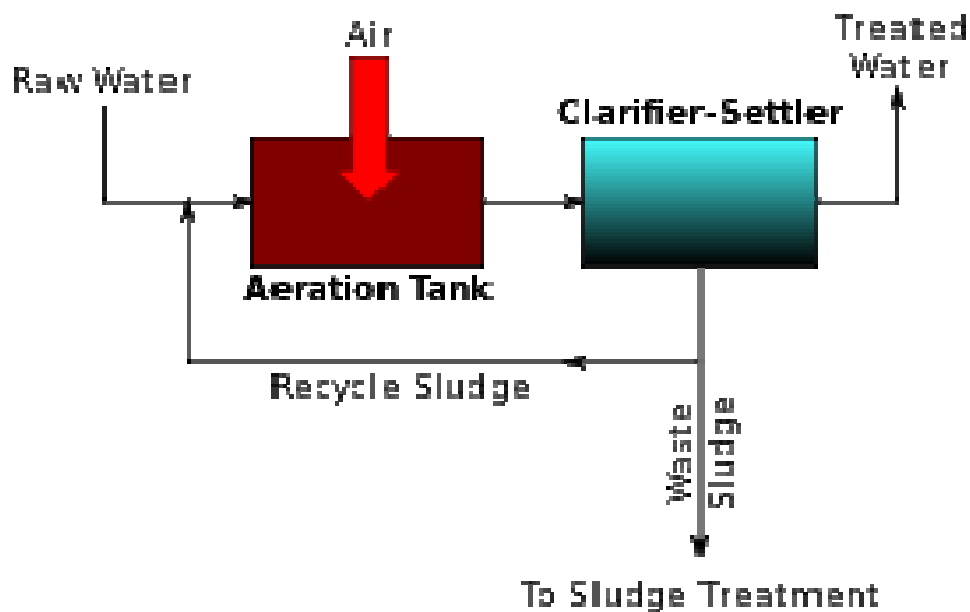
### 1. Sewage and Effluent Treatment:

Effluent treatment covers the mechanisms and processes used to treat wastewater that is produced as a by-product of industrial or commercial activities. After treatment, the treated industrial wastewater (or effluent) may be reused or released to a sanitary sewer or to a surface water in the environment.

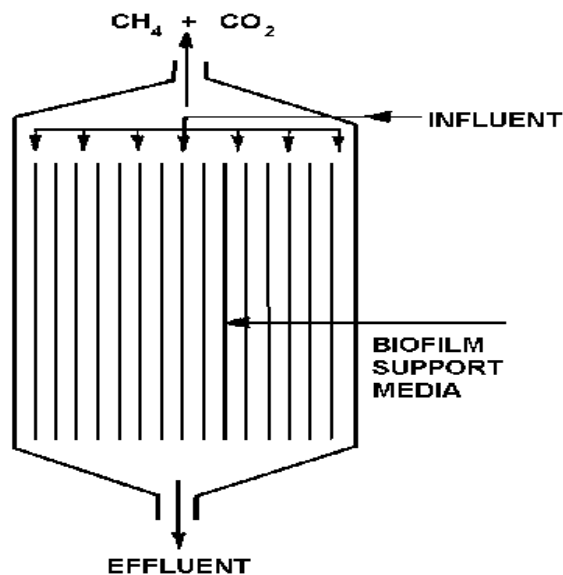
Sewage treatment is the process of removing contaminants from wastewater, primarily from household sewage. It includes physical, chemical, and biological processes to remove these contaminants and produce environmentally safe treated wastewater.

For Effluent and Sewage Treatment the following technologies are used:

- a) **Activated Sludge Process:** One of the foremost suspended growth biological treatment processes where the biological growth is kept contained in a completely mixed reactor with the help of aeration. The solids are given more retention time by recycling them back into the aeration reactor after they are carried over and separated in the clarifier. Aeration tank receive the wastewater after primary sedimentation after removing any settleable and inorganic solids. This is one of the oldest and most trusted method of biological treatment used in wastewater treatment.

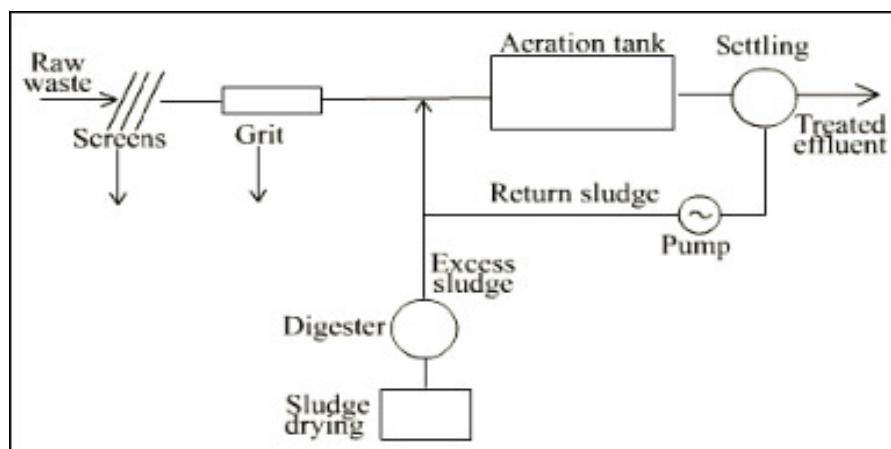


- b) **Down flow Anaerobic Fixed Film System:** This system is a reactor constructed from concrete or any water tight material. It is used for high removal of BOD and COD from the influent water. Anaerobic bacteria living on the inert honeycomb like structure media feeds on the organic content of the influent, breaking the organic content into sludge and Methane gas as influent moves downwards.

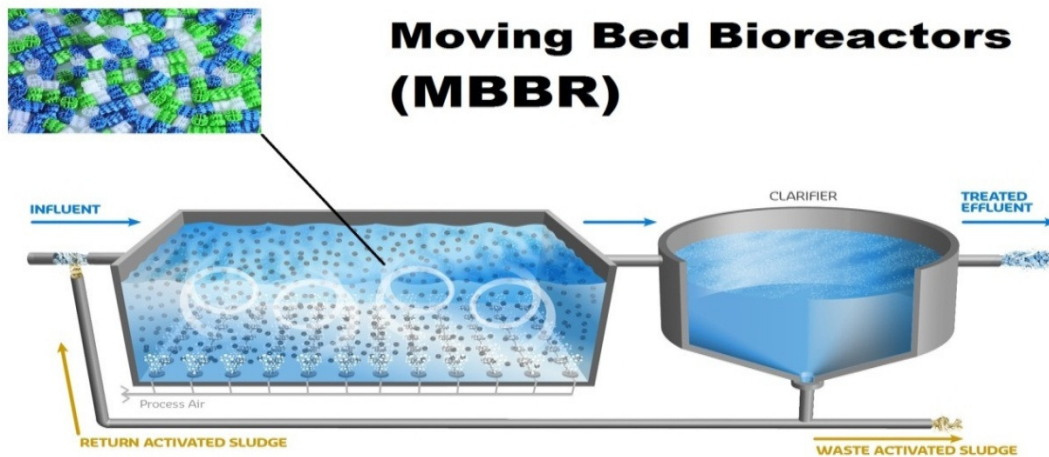


### DOWN-FLOW ANAEROBIC FILTER

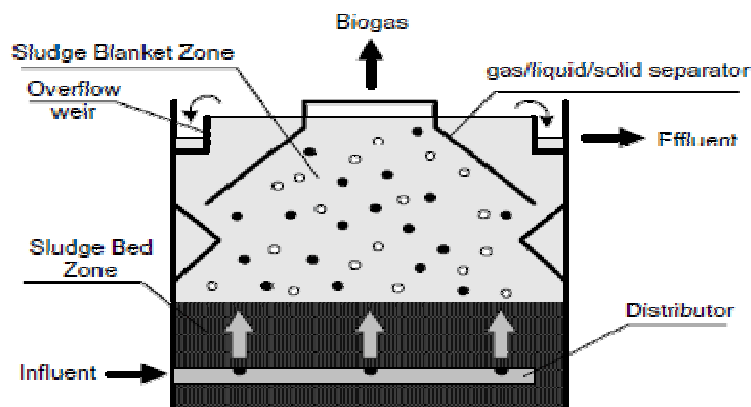
- c) **Extended Aeration System:** This system consists of an activated sludge aeration system where the BOD-COD consuming bacteria feed and multiply on the inner and outer surface of the inert plastic media. The plastic carrier media have an internal large surface area for optimal contact between the bacteria, oxygen, and influent water. With sufficient supply of oxygen, the bacteria culture breaks down the organic compounds from the influent, thus resulting in substantial reduction in the BOD and COD.



- d) **Rotating Biological Contactor:** This is one of the foremost attached growth biological treatment processes where the biological growth is kept on the surface of the contactor where natural diffusion through ambient air is done. The bacteria survive on the surface of a semi-submerged rotating drum-like structure where they form a slime layer on the surface of the contactor. These drum-like contactors are partly submerged into the effluent that they are designed to treat, and are rotated with a very low velocity/rpm to enable the bacteria to get food/BOD from the wastewater bath and then consume it in the presence of ambient air while they are not submerged into the wastewater.
- e) **Moving Bed Bio-Reactor (MBBR):** This system consists of an activated sludge aeration system where the BOD-COD consuming bacteria feed and multiply on the inner and outer surface of the inert media. This media acts as a large surface area for optimal contact between the bacteria, oxygen, and influent water. With sufficient supply of oxygen, the bacteria culture breaks down the organic compounds from the influent, thus resulting in substantial reduction in the BOD & COD.

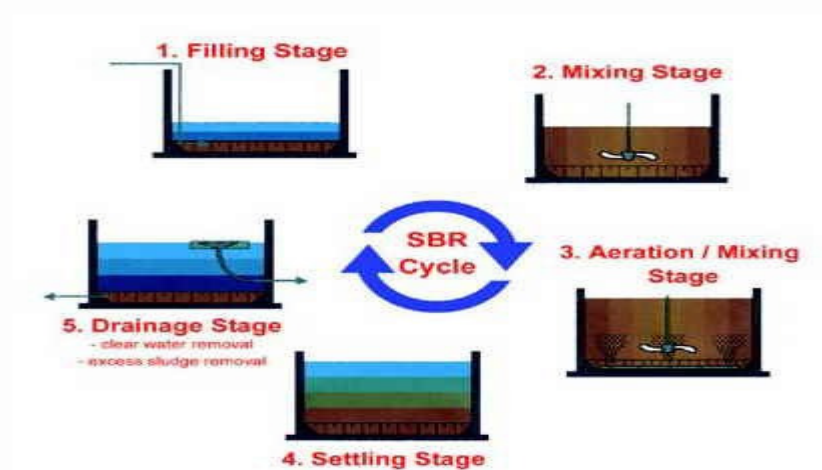


- f) **Bio-tower Aeration:** This system is type of Down-flow Fixed Film Aeration system constructed from water tight material usually RCC and is used for treatment of influent with High BOD and COD load. Bio tower system consist of packed Cross Flow corrosion resistant media which acts as breeding ground for micro-organism to break and consume complex BOD and COD molecules.
- g) **Submerged Aerated Fixed Films:** It is a process used to reduce the organic loading of residential and commercial sewage / waste water, and in doing so will reduce the Biological Oxygen Demand (BOD) and a significant quantity of Suspended Solids (SS) which if otherwise untreated would contaminate river and sea outfalls, in other words it is used to substantially improve effluent discharge quality.
- h) **Up-flow anaerobic Sludge Blanket System:** It is a reactor constructed from concrete or any water tight material. It is used for high removal of BOD and COD from the influent water. Anaerobic bacteria living in the suspended sludge blanket feeds on the organic content of the influent, breaking the organic content into sludge and Methane gas as influent moves upwards. The up-flow movement of influent and Methane gas bubble offers homogenous mixing without any mechanical assistance.



- i) **Membrane Bio-Reactor (MBR):** It is a process in which a submerged hollow tube PVDF micro-porous membrane is used for to separate the treated water from the suspended growth activated sludge process resulting in purified water recovery. MBR membranes have a pore size of  $\sim 0.2 \mu\text{m}$ . Thus most of the BOD, COD, TSS etc. of the influent are separated out from the product stream.

- j) **Hydro Dynamic Cavitation:** A method combining of “Cavitation and photo-catalysis” to break the polymeric chain and further reduce the low molecular weight compounds into monomers/readily degradable compounds as the effluent associated with the manufacturing of PEA (Phenylethyl alcohol) containing polymeric chain was difficult to break by conventional methods.
- k) **Sequential Batch Reaction (SBR):** SBR system stands for Sequential Batch Reactor system, is a reactor constructed from a water tight material like concrete or mild steel [with corrosion resistant coating]. This system carries out operations like Fill, React, Settle, Decant in single or multiple reactor tank operating in series. Initial Anaerobic/Anoxic condition followed by Aerated condition of the influent water results in better output quality of product water.



All these solutions are deployed and customized as per user requirements and output characteristics after stringent screening of the waste through series of minimum 13 different parameters.

## 2. Zero Liquid Discharge Systems:

A system which not only helps to reduce water usage, but also concentrates on eliminating water discharge is known as zero liquid discharge (ZLD). ZLD processes purify and recycle plant wastewater, changing liquid waste into disposable dry solids and delivering effluent water back into the plant process stream to be reused.

The technologies used for Zero Liquid Discharge are:

- Cold Lime Softening:** This is a complex combination of Flocculation and Clarification/Sedimentation system in single compact unit and works on Particle Density difference chemistry. This process is a way of “precipitate water softening” which works typically at ambient Temperatures. This process effectively removes Hardness and most Heavy Metals. During this process, Calcium ions [ $\text{Ca}^{+2}$ ] and Magnesium ions [ $\text{Mg}^{+2}$ ] are converted to less soluble salts as  $\text{CaCO}_3$  and  $\text{Mg}(\text{OH})_2$  which can be readily settled and removed in the form of sludge.
- Hot Lime Softening:** This process is the most efficient way of “precipitate water softening” which works typically between temperature range of  $85^\circ\text{C}$ - $110^\circ\text{C}$ . This process effectively removes Part COD, Hardness and most Heavy Metals in lesser hydraulic retention time with better results as compared to conventional Cold/Warm lime softening as softening reaction speed is higher. During this process, Calcium ions [ $\text{Ca}^{+2}$ ] and Magnesium ions [ $\text{Mg}^{+2}$ ] are converted to less soluble salts as  $\text{CaCO}$  and  $\text{Mg}(\text{OH})$  which can be readily settled and removed in the form of sludge.

- c. **Advanced Micro Filtration:** Tubular Membrane Separation system is an Inside-Out cross-flow membrane separation process in which a Semi-permeable PVDF membrane is used to separate contaminants like Suspended Solids and solutes of higher molecular weight from the influent water. However this process cannot remove Ions, Dissolved salts from this influent. Pore size of the openings on membrane is used to define the characterize the Membranes.
- d. **Reverse Osmosis System:** Reverse osmosis system makes use of Semi- permeable membrane separation chemistry. During this process, high reverse osmotic pressure is applied on the membrane to force water from High Total Dissolved Solids region towards Lower Total dissolved solids region resulting in clean permeate water recovery. By Careful system design and water analysis study, up to 94% water recovery can be achieved in some systems.

### 3. Evaporation Technologies:

Evaporation is being considered as an alternative process in an increasing number of wastewater treatment applications. It can be effective for concentrating or removing salts, heavy metals and a variety of hazardous materials from solution. Also, it may be used to recover useful by-products from a solution, or to concentrate liquid wastes prior to additional treatment and final disposal. Most applications of the technology also produce a high quality, reusable distillate-a very important feature where water conservation is a priority.

During evaporation, a solution is concentrated when a portion of the solvent, usually water, is vaporized, leaving behind a saline liquor that contains virtually all of the dissolved solids, or solute, from the original feed. The process may be carried out naturally in solar evaporation ponds, or through the use of commercially available evaporation equipment.



The technologies used for the following are:

- a. **Mechanical Vapor Recompression:** In Mechanical Vapor Recompression process, a positive displacement twin lobe rotary compressor is used to compress the evaporated steam to higher pressure. The increased pressure of the steam results in subsequent increase in the steam temperature. This steam is used as a heating medium for the influent feed thus reducing the Specific Heat consumption of the system.
- b. **Green House Evaporation:** This is an advance evaporation technology that uses the solar heat to evaporate the High Concentrate Brine water from the Reverse Osmosis system. This is a close poly-carbonate structure that is at a relative higher temperature than the surrounding atmosphere. Semi-Dome shape of the structure traps the heat, circulating it within the structure raising the temperature of the inner atmosphere.
- c. **Multi Effect Evaporator:** A multiple-effect evaporator, as defined in chemical engineering, is an apparatus for efficiently using the heat from steam to evaporate water. In a multiple-effect evaporator, water is boiled in a sequence of vessels, each held at a lower pressure than the last. Because the boiling temperature of water decreases as pressure decreases, the vapor boiled off in one vessel can be used to heat the next, and only the first vessel (at the highest pressure) requires an external source of heat. While in theory, evaporators may be built with an arbitrarily large number of stages, evaporators with more than four stages are rarely practical except in systems where the liquor is the desired product such as in chemical recovery systems where up to seven effects are used.

#### 4. Product Recovery from Effluent Waste and Purification:

A special branch of Water and wastewater division, Product recovery aims for focusing on the areas where use of existing technology or adaptation of new technology could prove beneficial in terms of reducing product waste, increasing seepage and carryover of product in effluent, generating a co-product, refining an existing product and many more possibilities could be achieved. Some of the works carried out are:

- Recovery of Copper as copper sulphate from high strength industrial effluent.
- Recovery of dye from various dye waste streams.
- Recovery of precious metals from leachate of Electronic waste.
- Recovery of Acid from spent acid stream or another contaminated acid stream. Recovery of Hydro-Fluoric acid and Hydro Chloric acid.

Now diverse industries can opt for such product recovery technologies to obtain the by-products.

#### 5. Speciality Membranes:

Focused on specific and specialized applications Felix have come up with a wide range of membranes where not only water but other fluids can also be processed to attain different results; Suphate removal, Dye Concentration, Alkaline earth metals removal to name a few. These membranes can also serve as pre-treatment or post-treatment to many unit operations for increasing efficiency and life of the operation or system.

##### ➤ Nano Filtration Membranes

- Hardness Removal:** Nano Filtration membranes can prove to be more effective to remove hardness, than conventional softening plants. They do not require regeneration, they do not generate heavy strength reject, require a very low maintenance, can operate in automatic assembly, achieve high recovery and also reduce the TDS to some extent (depending on the model of membrane used)
- Dye Concentration, Dye Desalting and removal of specific contaminants

With widest range of these Nano-filtration membranes, we can offer you the solution for entire range of dyes for its concentration & desalting along with other applications like concentration of salts and removal of specific elements.

The primary application for us with Nano-Filtration is in concentration of dyes and purification of salted dyes. These membranes have lower dye passage in the permeate stream and can take up the concentration unto 30% - 35% TS in some cases.

##### Brief Specification of Nano- Filtration membranes

Type	Model	Salt Rejection (%)		MWCO (Da) Approx.
		NaCl	MgSO <sub>4</sub>	
8 Inch	NE8040-90	85 ~ 95	97	~ 200
	NE8040-70	40~70	97	250 ~ 750
	NE8040-SRM	50 ~ 85	99	500~900
	NE8040-40	20~60	97	900~2000
4 Inch	NE4040-90	85 ~ 95	97	~ 200
	NE4040-70	40~70	97	250 ~ 750
	NE4040-SRM	50 ~ 85	99	500~900
	NE4040-40	20~60	97	900~2000



- **Sulfate Removal Membrane:** Sulfate Removal Membrane selectively filters divalent ions allowing for the recycling of the monovalent ions in the permeate. A denser NF membrane along with a more neutral surface charge than the current NF products allows for a greater ability to remove divalent ions present in water.
- **Ultra Pure Membranes:** Use of a De-mineralized (DM) plant and Mixed Bed to produce ultra-pure water for very sensitive industrial applications can be directly replaced with our unique range of Ultra-Pure membranes. These membranes are capable of producing low TDS/Conductivity (less than 0.5 ppm / less than 1  $\mu$ S per cm) product water to be used in specific applications, without generating much or any reject stream. Ultra-pure membranes work on a very low trans membrane pressure thus consuming very low electrical energy and can also run on solar power.

Type	Model	Rejection (%)		Flow Rate(m <sup>3</sup> /day)
		Salt	IPA	
8 Inch	RE8040-UL440	99.5	95	41.6
	RE8040-HUE440	99.5	96	37.9
	RE8040-HUE	99.5	96	34.1
	RE8040-UL	99.5	92	37.9

#### F) MAJOR CONTRACTS EXECUTED AND TO BE EXECUTED

*The major contracts executed by the company in last five years are as below:-*

Major work Done till date					
Sr. No	Company Name	Location	Date of Commissioning	Process	Capacity
1	Hero Steels Limited	Ludhiana, Punjab	Oct-13	Zero Liquid Discharge (RO Plant)	250 KLD
2	Shree Sulphuric Limited (98% Recovery)	Ankleshwar, Gujarat	Oct-13	Waste Water Recycling Plant	300 KLD
3	Astral house	Ahmedabad, Gujarat	Mar-14	RO Plant	2000 LPH
4	Huebach Colors Pvt. Ltd.	Ankleshwar, Gujarat	Apr-14	Solvent Extraction Unit	250 KLD
5	Zydus Infrastructure Limited	Ahmedabad, Gujarat	Feb-15	reduction of hardness, silica from effluent	15 cu.m/hr
6	Astral Polytechnic Limited	Dholka, Gujarat	Mar-15	Sewage treatment plant	15 KLD
7	Astral Polytechnic Limited	Dholka, Gujarat	May-15	RO Plant	3000 LPH
8	Kasturba hospital	Valsad, Gujarat	Sep-15	RO Plant	900 LPH
9	Astral Polytechnic Limited	Ahmedabad, Gujarat	Jan-16	Sewage treatment plant	5 KLD
10	United Phosphorous Limited	Halol, Gujarat	Jan-16	ZLD Plant	25 KLD
11	Hopewell tableware Pvt ltd	Jaipur, Rajasthan	May-16	RO Plant	100 LPH
12	UPL	Ankleshwar, Gujarat	Jun-16	Automatic operation, ETP Dosing system	-
13	Mohan Polyfab Pvt. Ltd.	Ankleshwar, Gujarat	Jul-16	Effluent Treatment Plant	100 KLD
14	Sangam India Ltd	Bhilwara, Rajasthan	Consultancy	-	-



Major work Done till date					
15	Colourtex Industries Ltd	Surat, Gujarat	Jan-17	Waste water recycling plant	100 KLD
16	Gujarat Tea Processors & Packers Ltd.	Ahmedabad, Gujarat	Jan-17	Ultra violet disinfection system	500 LPH
17	Mohan Polyfab Pvt. Ltd.	Ankleshwar, Gujarat	Mar-17	Effluent Treatment Plant	100 KLD
18	Megafine Pharma (P) Ltd	Bharuch, Gujarat	Mar-17	Effluent Treatment Plant	75 KLD
19	Bodal Chemical Ltd	Vadodara, Gujarat	Mar-17	RO plant with Membrane elements	Rs.25,22,000
20	Penta Flex	Ahmedabad, Gujarat	Mar-17	RO Plant	2000 LPH
21	Freshtop Fruits Limited	Nasik, Maharashtra	Apr-17	RO Plant	3500 LPH

*As on date of the draft prospectus, the company has following projects in hand:-*

Work in Hand				
Sr. No.	Company Name	Location	Process	Capacity
1	Lincoln Pharmaceuticals Ltd	Ahmedabad, Gujarat	Effluent Treatment Plant	30 KLD
2	Navin Flourine	Surat, Gujarat	HF Recovery	2 Tone/day
3	Atul	Atul	Zero Liquid Discharge	120 KLD
4	Penta Flex	Ahmedabad, Gujarat	RO Plant	2000 LPH
5	Hindustan Zinc Limited	Chittorgarh, Rajasthan	ZLD plant	600 KLD
6	CTX	Surat, Gujarat	Entire Project – Water balance System (Including raw material, industrial process water, sewage and industrial wastage)	150 KLD (ETP) And RO, UV system , DM Plant and other Required modules
7	Kunal Structure (India) Pvt. Ltd	Rajkot, Gujarat	STP Plant	60 KLD
8	Colourtex Industries Ltd	Surat, Gujarat	ZLD Plant	1 MLD

## 1.2 Industrial Piping Division

Corrosion is the biggest problem faced by industry when it comes to the usage of Ferrous and Mild Steel as material of construction in Piping Systems. Long service life and minimum downtime are critical to the success and growth of industries. Many chemicals encountered in the process industry aggressively corrode most metal equipment resulting in Process leaks, Flow Restrictions & ultimately premature failure.

Corrosion can decrease piping life, interrupt production and cause power losses. As a result these industries often require process piping systems that are made of materials which can withstand tough industrial environments.

Since year 2011, Felix Industries has forayed into the segment of industrial thermoplastic pipes, fittings and valves including turnkey jobs of installation and commissioning. Being a technological player, Felix Industries has always followed the marketing strategy of TESMA (Technical Sales and Marketing) in which they educate the client technically and convince them commercially developing a long association with them.

During June 2011, Felix was appointed as an authorized distributor and marketing associate of Astral Poly Technik Ltd for its industrial piping sales. Further during the year 2012, Felix Industries had a tie-up with an MNC name The Aliaxis Group (Turnover of > Rs. 16,000 crore) to market and distribute their Thermoplastic products with the exclusivity of distributing the products in entire state of Gujarat. Further through this division, the range of thermo-plastic pipes, fittings & valves provided by the company has the unique capability of withstanding various chemicals and can handle elevated temperature without failure with less commissioning cost (cost of supply & installation) of steel pipes and with proven life span of more than two decades. The company provides end-to-end service right from selection of pipes to design, supply and installation.

The company majorly deals into Anti-Corrosive Thermoplastic polymer pipes viz:-

### 1. **Chlorinated Poly Vinyl Chloride (CPVC) [Astral]:**

Chlorinated PVC (C-PVC) is one of the most important engineering thermoplastic due to its relatively low cost, high glass transition temperature, high heat distortion temperature, chemical insertion and outstanding mechanical dielectric flame and smoke properties. Ideally, this means a cost effective material that will resist corrosion while also providing mechanical strength, safety and Long Lasting performance. ASTRAL CPVC (Chlorinated Polyvinyl Chloride) Industrial Piping System is developed specifically to meet special requirements.

### 2. **Unplastisized Poly Vinyl Chloride (UPVC) [Astral]:**

Third most widely used polymer in the world due to its low cost. Low maintenance, high thermal stability, chemical and mechanical resistance up to 60°C. The different additives and stabilizers make PVC the more versatile of the plastic material, having several possibilities to be used in many application of the fluids in pressure.

### 3. **Poly Vinylidene Flouride (PVDF) [FIP, Italy]:**

Polyvinylidene fluoride (PVDF) With 59% w/w fluorine content, this polymer shows exceptional characteristics of mechanical, chemical and physical resistance and guaranteed performance of thermal stability up to 140°C. These pipes are made from extremely pure monomer i.e. no addition of stabilizer plasticizer, lubricant or additives. PVDF represents a better solution in comparison to other thermoplastics and metals in large range of chemicals and gases.

### 4. **Poly Propylene – Homopolymer (PP-H) [FIP, Italy]:**

A polyolefin crystalline Thermoplastic resin, which offers excellent characteristics in mechanical and physical terms with working temperature up to 100°C and well mark to chemical attack. Usually in 3 forms PP-H, PP-Block Copolymer, PP-R Random copolymer. PP-H being the latest generation of polymer with

best resistance of intermediate temperature no chemical Resistance is defined for PP-RC for temperature greater than 60°C.

**5. High Density Poly Ethylene (HDPE) [FIP, Italy]**

**6. Acrylonitrile Butadiene Styrene (ABS) [FIP, Italy]**

**7. Various other fittings and accessories**

Further, the company also deals into wide range of manual, pneumatically and electrically actuated valves (non-ferrous).

**MAJOR CONTRACTS EXECUTED – INDUSTRIAL PIPING**

*The major contracts executed by the company in last five years are as below:-*

Major work Done till date					
Sr. No	Company Name	Location	Date of Commissioning	Process	Capacity
1	Madhu silica Pvt ltd	Bhavnagar, Gujarat	Jun-13	Industrial Piping	Rs.10,18,342
2	Marcus water treatment Pvt ltd	Pune, Maharashtra	Jul-13	Plumbing	Rs.33,68,490
3	Ozone Procon Priavte Limited	Gandhidham, Gujarat	Feb-17	Supply of PP Material	Rs.6,329
4	Komal Industries	Thane, Maharashtra	Jan-17	Industrial Piping	Rs.33,110
5	Saral Controls	Ahmedabad, Gujarat	Oct-13	Supply of piping & installation	Rs.9,25,769
6	A.T.E Envirotech pvt ltd	Mumbai, Maharashtra	Jan-14	Plumbing	Rs.78,20,505
7	Aqasion Watertech Private Limited	Thane, Maharashtra	May-16	Plumbing	Rs.127,560
8	Waterman Engineers	Ahmedabad, Gujarat	June-15	Plumbing	Rs.10,92,006
9	Chemtronics Technologies (I) Private Limited	Mumbai, Maharashtra	Jan-14	Industrial Piping	Rs.61,046
10	Pentaflex Films LLP	Gandhinagar, Gujarat	Feb-17	Industrial Piping	Rs. 278,683
11	Roquette Riddhi Siddhi Private Limited	Ahmedabad, Gujarat	Jun-14	Industrial Piping	Rs.3,86,156
12	Green India Building systems and services pvt ltd	Mumbai, Maharashtra	Jul-14	Supply of industrial piping & installation	Rs.10,43,088
13	Bharti engineering	Ahmedabad, Gujarat	Aug-15	Industrial Piping	Rs.19,97,948
14	Aliaxis Utilities and Industry Private Limited	Verna, Goa	Oct-13	Industrial Piping	Rs.861,371
15	Mohan Polyfab Private Limited	Ankleshwar, Gujarat	March-17	Industrial Piping	Rs.657,139
16	Reliance Infrastructure Limited	Jaislmer, Rajashtan	Feb-14	Industrial Piping	Rs.22,89,807
17	Shubham Inc	Ahmedabad, Gujarat	Jan-15	Industrial Piping	Rs.18,16,627

Major work Done till date					
18	Solvex Technology	Ahmedabad, Gujarat	Sep-14	Industrial Piping	Rs.210,000
19	Narmada Clean Tech Limited	Ankleshwar, Gujarat	Jul-14	Industrial Piping	Rs.16,19,665
20	Expedio Green Water Private Limited	Ahmedabad, Gujarat	Sep-16	Plumbing	Rs.12,943
21	Kherani Paper Mills Private Limited	Vapi, Gujarat	Dec-13	Industrial Piping	Rs.3,36,753
22	Zydus Infrastructure Private Limited	Ahmedabad, Gujarat	Jan-15	Industrial Piping	Rs.20,06,000
23	Hero Steels Limited	Ludhiana, Punjab	Feb-14	Plumbing	Rs.54,26,679
24	WTE Infra Projects Pvt Ltd	Pune, Maharashtra	Dec-15	Plumbing & piping	Rs.1,02,87,251

### 1.3 E-Waste Recycling Division

E-waste Recycling is the third division started by the company which is at a very nascent stage for the country as well. Felix is a government approved E-waste recycling company with a capacity of 6000 MT per year which is also one of the largest recycling capacities in India. The e-waste collected from pan India is processed at the company's plant located at Electronic Estate; Gandhinagar where activities like e-waste collection, storage, dismantling and segregation takes place. Our ultimate goal is to be the preferred recycling destination that anticipates customer requirements to support continual improvement in services and enhance our public outreach.



#### A) Licenses & Endorsements

Being a government approved e-waste recycling company; Felix has also received the required licenses in place. Our company apart from being a e-waste recycler, is also engaged into recovery of precious metals from e-waste recycling. We have received the license for export of 750 MT of e-waste such as Printed Circuit Boards, (PCBs) from Government of India, Ministry of Environment, Forest and Climate Change where we are permitted to export e-waste (PCBs) from India to a company named M/s. Umicore Precious Metals Refining head-quartered in Belgium for the recovery purposes under the provision of Hazardous and Other Wastes Rules, 2016. Our company has entered into a written agreement with M/s. Umicore Precious Metals Refining, Belgium for recycling of precious metals. Our company is a fully accredited provider of electronic recycling services with a focused business model, eco-friendly and secure recycler registered with the Gujarat Pollution Control Board which is also an ISO 9001:2015 and ISO 14001:2015 certified company. Further our company has also received certificate for Occupational Health and Safety Management System of OHSAS 18001:2007 along with being an RoHS (Restrictions of Hazardous Substances) complaint company.

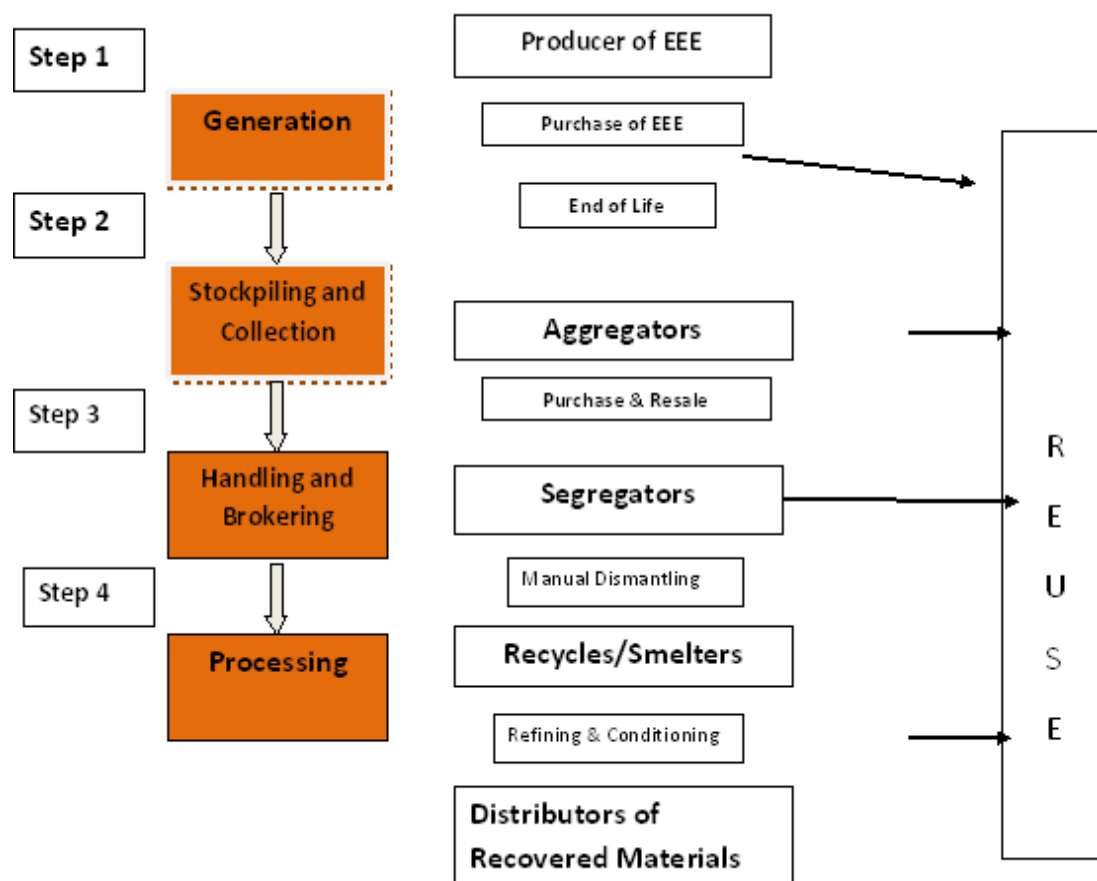
#### B) Environmental Policy

We recognize that care for the environment is an integral part of our business. Our core activity is to reclaim and recycle wherever possible and that our actions also have an impact on the local environment. We believe to:

- To put environmental sensitivity at the forefront of business decisions and operations.
- To take in account non-sustainable activities in procurement, processing and production of e-waste recycling.
- To minimise use of energy and eliminate wasteful use of resources.
- To schedule and plan collection and logistics services that will reduce emissions by maximizing collection runs and using return haulage.

- v. To offer consultation, guidance and learning tools to any one not necessarily of commercial value to the company in order to widen public knowledge of e-waste handling and recycling.
- vi. To be aware of and adopt developments in e-waste techniques and systems that increase recycling feasibility.
- vii. To make sure that our suppliers/clients and buyers are assisted in developing appropriate system and responsible approach with regards to environmental issues of e-waste recycling.

*The E-Waste Value Chain is as follows:*



### C) Facility Management

Initially our country had an informal way of disposing of the e-waste where the major activities of sourcing, dismantling and segregation were done through an entire manual process which occupied a lot of space and also became a source of hazardous pollutants such as lead, cadmium, mercury, heavy metals etc. if left unattended. To address these concerns our company initiated this division to provide a regional solution making e-waste recycling a viable option by integrating the existing skill set of informal process, where the sourcing and dismantling can be done through manual labor, along with mechanical process of shredding and segregation. The premises are well equipped with all the necessary facilities and follow all the safety procedures required for a good working environment along with a dedicated team of experts to identify process and re-use e-waste. Our purpose behind starting this division was to take care of the growing menace of electric and electronic waste and also reduce their effects on environment providing a better ecosystem.

Our company operations are designed such that all types of e-waste is collected and recycled at our factory premises with varied solutions. Our company offers wide range of services from sourcing, dismantling and segregation to recycling activities. We recycle ferrous, non-ferrous metals, plastics along with supporting

environment by safe handling and recycling of hazardous substances and precious metal bearing components. We provide environmental solutions like electronic recycling services to a wide range of clients including local and national corporates, electronic manufacturers, government organizations, residential, schools and hospitals, IT companies, retailers and dealers of electronic and electrical devices. Our company's e-waste recycling process begins with the participation of community and ends with proper disposing of items by our Materials Recovery Facility. The entire process of our operations starts from collection of e-waste, unloading and storage, manual dismantling, pre-breaking and crushing the WEEE material like electrical and electronic equipments after removal of toxic components, transfer of material from pre-break crushers to magnetic drums through a conveyor belt, separating the ferrous metal components from non-ferrous along with manual sorting of plastic components. Further the plastic components would be fed into the grinder for sale of grinded plastics to authorized recycler for further processing while bailing and transporting the metal components to authorized metal recyclers.

The efficiency of the entire recycling chain depends on the efficiency of each step and on how well the interfaces between these interdependent steps are managed.

- ***Collection***

Collection of e-waste is of crucial importance as this determines the amount of material that is actually available for recovery. Many collection programmes are in place but their efficiency varies from place to place and also depends on the devices. We are in association with electronic producers, retailers and dealers who design innovative methods of e-waste collection through incentive platform and other awareness activities. A collection strategy will be designed for individual e-waste generator and bulk generators. Our company will provide on call-scheduled collection, regular interval collection to large generators and aggregators and corporate clients based upon their waste volumes and requirements.

Suitable vehicles will be sent for collection depending on the quantity of E-waste. The electronic waste generated will be collected through specially designed vehicle having a weighing machine inside. The waste collected will be weighed at the client's premises and weigh receipt will be issued to the customer on the spot along with an acknowledgement. The total quantity & type of waste will be entered into the manifest along with the customer's signature & stamp. People associated with collection will be trained and activities will be tracked through technological platforms. The collected e-waste would be transported to the facility.

- ***Unloading and storage***

All collected e-waste would be unloaded in the unloading area and initial testing and sorting of different types of e-waste would occur. This would result in systematic storage of individual kinds of e-waste and separating readily reusable electronic devices from the ones fit for dismantling. Adequate storage space will be provided in the premises estimating the maximum quantity. Loading and unloading of wastes in storage sheds will be done only under the supervision of the well-trained and experienced staff. Storage area will have sheds. Adequate fire fighting systems should be provided for the storage area, along with the areas in the facility. The e-waste received from generator shall be stored at earmarked covered shed having concrete floor and leak proof roof. Wooden or plastic pallets shall be provided to store the waste. The whole facility will have only one main incoming entrance and one main outgoing exit for security purposes with sufficient CCTV 24 hours recording and card access coverage to ensure that goods are under tight security and monitoring.





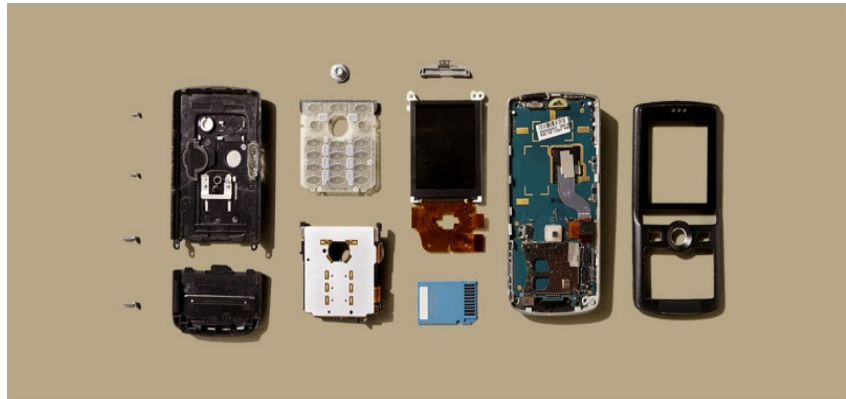
- **Manual dismantling**

Waste that contains mainly electronic and electrical material and monitors of computer or TV's shall be shifted to manual dismantling section in hand trolleys. A set of 8 to 10 workers on 3 work stations are proposed with a suction hood for any dust particle coming out of the dismantling process. A team of experts in dismantling shall be deputed for dismantling purpose with all the required tools and tackles. The tools and tackles shall be identified with the best available brand to ensure optimization in working and to avoid small accidents in the process. The employees at this section shall be provided with all required PPE's i.e. apron safety shoes, gloves dust mask etc. Fire extinguishers shall be provided in the working area.

The team deputed shall dismantle all the waste articles e.g. Computer CPU Box, hard drive, CD ROM, Cables, PCB's etc. and monitor into back cover and picture tube. The hard drive, PCB's shall be further dismantled into components attached and naked PCB's. Dismantling operation will be manual, involving physical segregation operations for plastics, glass, steel, non-ferrous material, wires, gases, liquids and printed circuit boards. Hazardous components like CRT tubes will be stored separately for sending it to authorized recyclers. PCB's will be collected for further segregation and stored until send to authorized refiner for precious metal recovery. The dismantled plastic and metal components will be sent to pre breaker crusher for further recycling.

Tools for dismantling

- ✓ Cutter
- ✓ Cruciform screwdrivers
- ✓ Flat screwdrivers
- ✓ Hex head keys
- ✓ Hammer
- ✓ Sledgehammer
- ✓ Drilling Machine
- ✓ Grinder
- ✓ Security goggles
- ✓ Tape measure
- ✓ Cutting pilers
- ✓ Chipping chisel



- **Pre-breaker crusher**

The pre-crusher breaks WEEE material like electrical and electronic equipment's and assemblies after removal of toxic components. One of the pre-crusher's advantages is that it does not cut the material, but breaks it, which makes sorting afterwards easier to sort for example valuable, reusable materials, such as types of plastics & printed circuit boards. Its functionality is similar to the bag opener and bale breaker. The pre-crusher however has a special design, such as hardox lining for extra resistance. The constant material flow after breaking would increase the capacity of the waste sorting line. Moreover, it can process high capacities and are multi-purpose machines. The material falls on a drum, which is equipped with hammers that are arranged in a helical manner. The slow rotating drum takes the material along to an adjustable cam on which robust wear-resistant hammers are mounted.

- **Conveyor belt**

Flat conveyor belts are used to transfer the material from pre-break crusher to magnetic drum. This reduces manpower and improves the work efficiency and reduces the time cost.

- **Electromagnetic drum**

The magnetic conveyor belt would be fitted with a large electromagnet that would separate ferrous metal components from non-ferrous. The left over plastic components would undergo manual sorting and further end processing would occur.



- ***Grinder & Baler***

The plastic components of e-waste would be sorted and fed into the grinder batch wise for sale of grinder plastics to authorized recycler for further processing. The metal components can be baled and transported to authorized metal recyclers.

- ***Cable Recycling***

Cables comprises of at least 10 – 15% of the E-waste (both industrial & domestic). Cable stripper for cables ranging from 6mm to 100 mm without hydraulic shear. The cable wire stripper is designed to separate the cooper or aluminum part of electric wires from the sheath, whether this is in plastic, lead or other material of varying thickness. The new cable wire stripper machine, besides being quite versatile, now includes incorporated shears able to cut the electric cable up to 120 mm in diameter, as well as metal frames that are not very large, using a cutting power of approximately 250 BAR, maximum speed and safety guaranteed.

- ***CFL/Tube Lights Recycling/Disposal***

The CFL Premium Bulb compactor not only crushes spent fluorescent lamps of any size into 100% recyclable material, but also removes virtually all mercury vapor from the lamps through vacuum filters. The system, which is mounted to container, can hold up to 1,350 4' fluorescent lamps and 3,000 compact fluorescent lamps (CFLs). A three-stage filtering process removes hazardous particulates and gases from bulbs while they are being crushed. The control panel provided along with it gives additional security and makes the operation easy. The material after recycling will be disposed to hazardous disposal facility.

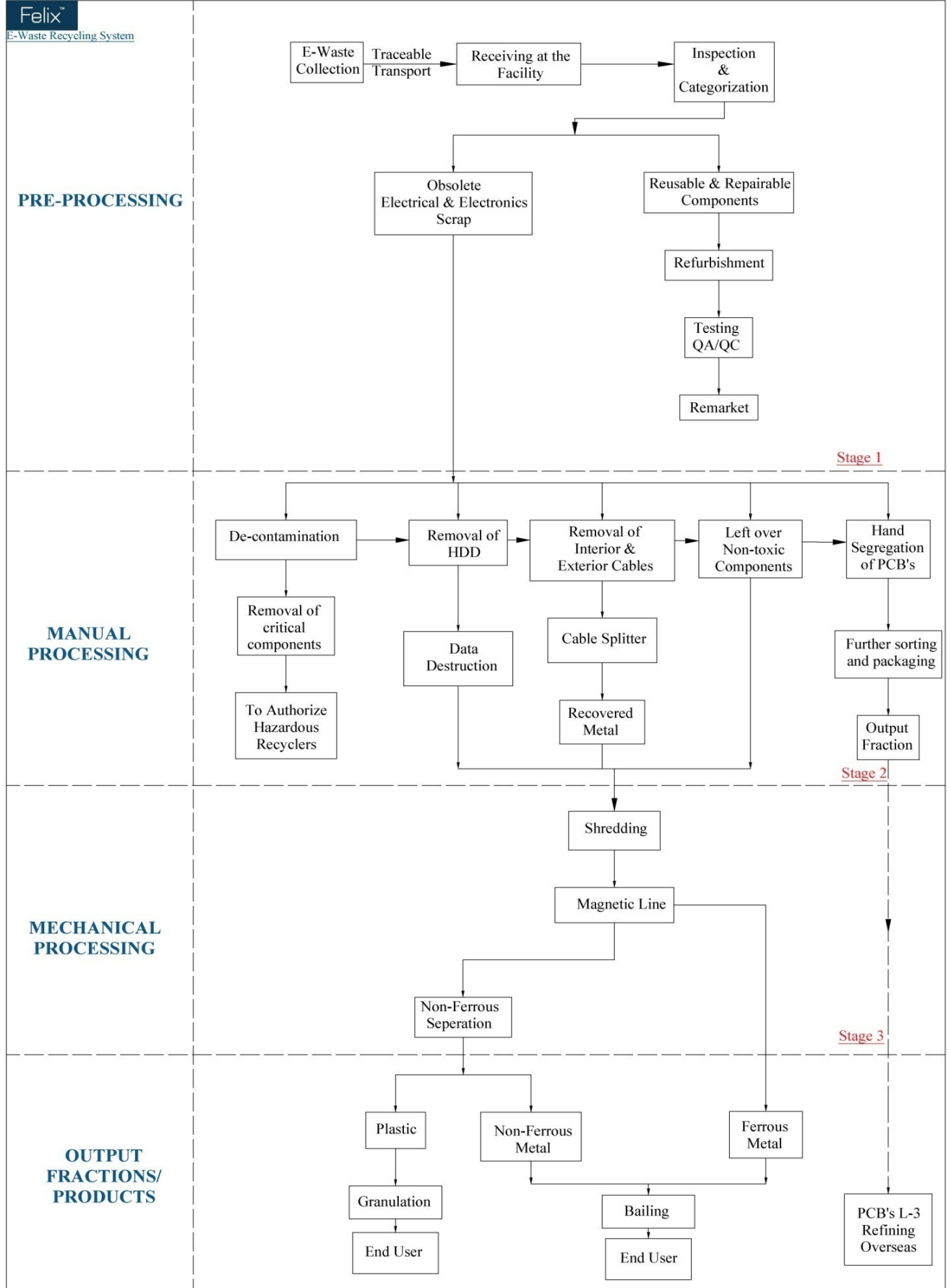
- ***Precious Metal Recovery***

The PCB's segregated at the facility will be stored. Our company would tie up with an authorized and experienced refiner in the field. Upon collection of sufficient volumes PCB's would be further sent for processing.

- ***Utilities***

The facility would require the following utilities: Weighbridge, WEEE receiving area, administrative office, security area, sanitary rooms, storage facility, dismantling area, sorting area and processing area

In short the waste collected for recycling goes through pre-processing activity followed by manual segregation and dismantling, shredding through mechanical processes and providing the right output fractions to the respective authorized recyclers. The process flow chart of our company is as below:-



#### ***D) Networking Strength***

Right from common household products like headphones, mouse, computer, air-conditioner etc. to large industrial equipments like cable, MW antenna, Base Trans-receiver Station and transformer, all are considered as an e-waste for our company. Further our company has an established sourcing and distribution network where we have strong association with more than fifty large scale industries and 100 plus small scale generators. Further we have also developed ties with various NGOs and educational institutions for creating awareness of formal e-waste recycling where by holding awareness programs we procure the e-waste from local individuals and institutions at subsidized rates for recycling and providing a better environment. On the customer side, we have develop strong business relationships with reputed clientele wherein we are associated with more than 25 foundries situated within Gujarat along with having tie-ups with 10 plus plastic recyclers and 50 plus scrap dealers. The ultimate goal of our company is to be amongst the preferred recycling service provider where we can anticipate our client's requirements to support continuous improvement in their services and enhance their public outreach.

#### ***E) Other Services And Awareness***

Our company is a one-stop shop which provides right solutions by integrating the manual informal process with mechanized systems by making use of right set of technology for developing a better ecosystem.

#### ***E-waste Auditing***

Our company, apart from sourcing and recycling e-waste by itself also provides consultancy services wherein we conduct audit of our clients existing e-waste recycling framework and provide them with a better value proposition for efficient recycling performance along with adopting and implementing sound environmental practices of e-waste handling. Apart from auditing we also consult our clients on internal and external requirement related to e-waste generated. During the entire process our expert team tries to get familiar with environmental challenges and legislative concerns to act on behalf of our clients to ease burden of complying with complex maze of requirements associated with e-waste.



#### ***Compliance Services***

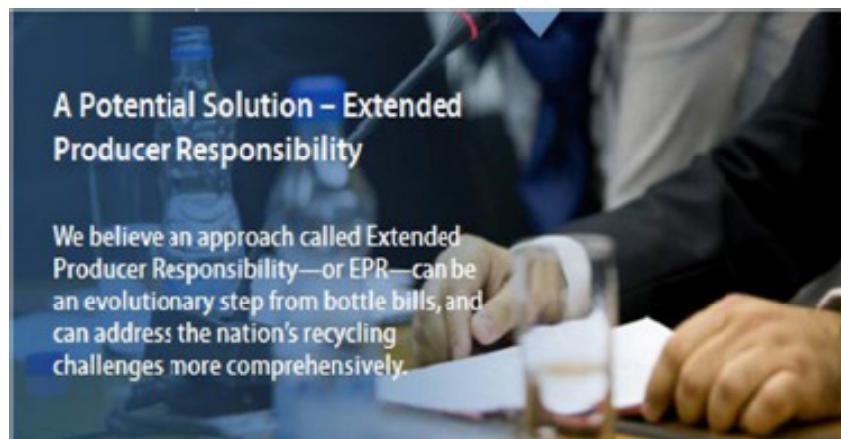
Our reporting and certification services are designed to serve wide range of compliance distress and documentation requirements for our clients to reduce and assist them on environmental liability of e-waste recycling for their organizations. We provide compliance services where we certify our clients' recycling efforts and document e-waste processing on a lot-to-lot basis for them. Moreover our detailed recycling reports records and maintains the type, quantity and weight of recycled materials from the e-waste collected for our clients on monthly, quarterly and yearly basis. Furthermore, collection frequencies, processing,

revenues generated and other details required by our clients for submitting compliance reports to state pollution control board are also provided by us. In all we provide the below mentioned compliance services:-

- a. Certificate of Data Destruction
- b. Certificate of e-waste Recycling
- c. Customized Recycling Report
- d. Standard Compliance Reports
- e. Sample of each certificate and report

**Extended Producer Responsibility (EPR)**

We aim to be a co-operative and efficient Producer Responsibility Organization (PRO) that is well equipped to shoulder the operational responsibility of its member OEM's to meet their EPR obligations for e-waste. We have begun to plot long term plans to widen and implement our scope of EPR services taking into consideration new E-waste (Management) Rules 2016 by the Indian Ministry of Forest and Environment (MOEF).



Our expert team would understand our respective OEM client's EPR plans and obligatory targets to be achieved regionally and provide flexible and stage wise achievable arrangements for end-to-end e-waste management.

Our team of experts from each division can establish a system in partnership with OEM's EPR team to establish effective collection mechanism, strengthen processing standards and capacity along with developing software to effectively manage and track e-waste data (in real-time) in customized formats for electronic manufactures to share and/or monitor with government to present their recycling efforts and further optimize the use of time and resources spent.

**Community Out-Reach**

Our company delivers various community platforms with the purpose of promoting 'green environment' and 'green earnings' to the public. Our community green initiatives help companies achieve sustainability and spread positive attitude towards recycling. To ensure and achieve the environmental mission we partner with individuals, businesses and local government to responsibly not only divert e-waste from landfills but process them into much needed resources.

Our company also gets into take back arrangements with their existing clients and general public for their old and obsolete electronics products where our company enters into voluntary take back partnerships with retailers / manufacturers to provide services to our end customer seeking a convenient and responsible way to get rid of their e-waste in a green manner. Our take back initiatives resonates the needs of our clients and help in delivering a second life to electronics devices and resources saving environmental and social impacts of mining new resources.

We are also organizing workshops/seminars, campaigns and designing awareness tools such as flyers, posters, leaflets etc. for creating awareness among societies, educational institutions, industrial associations and professional organizations for disposing of e-waste in a socially responsible and environmentally sound manner where it can be recycled into a sustainable resource. Further we also encourage the various such organizations and work closely with NGOs and charitable institutions for donation of second hand functioning electronics to the communities in need and try to prevent informal practices



of e-waste handling and processing.

### **MAJOR CONTRACTS EXECUTED – E-WASTE**

*The major contracts executed by the company are as below:-*

Major work Done till date					
Sr. No	Company Name	Location	Date of Commissioning	Process	Capacity
1	Idea Cellular Limited	Gandhinagar, Gujarat	Apr-14	E-Waste	Rs.408,795
2	Indus Towers Limited	Ahmedabad, Gujarat	Jun-15	E-Waste	Rs.354,258
3	Deccan Fine Chemicals Private Limited	Ankleshwar, Gujarat	Jul-15	E-Waste	Rs.42,700
4	Reliance Industries Limited-Jamnagar	Jamnagar, Gujarat	Nov-15	E-Waste	Rs.967,163
5	Reliance Industries Limited-Nagothane	Pune, Maharashtra	Jan-16	E-Waste	Rs.121,004
6	Mahindra Gears & Transmission	Rajkot, Gujarat	Aug-16	E-Waste	Rs.1,586
7	Gail India Limited	Vadodara, Gujarat	Sep-16	E-Waste	Rs.110,344
8	Indian Space Research Organisation	Ahmedabad, Gujarat	Sep-16	E-Waste	Rs.16,89,870
9	Indian Oil Corporation Limited	Vadodara, Gujarat	Oct-16	E-Waste	Rs.66,40,839
10	Indian Farmers Fertiliser Cooperative Ltd	Kandla, Gujarat	Oct-16	E-Waste	Rs.196,478
11	Bsnl Gujarat Circle Ahmedabad	Ahmedabad, Surat, Gujarat	Oct-16	E-Waste	Rs.672,655
12	Doordarshan Maintenance Center Ltd	Vapi, Gujarat	Jan-17	E-Waste	Rs.55,649
13	Bank Of Baroda	Gandhinagar, Gujarat	Jan-17	E-Waste	Rs.504,001
14	Sterlite Technologies Ltd	Ahmedabad, Gujarat	Jan-17	E-Waste	Rs.52,189
15	M/S Inbisco Pvt Ltd	Ahmedabad, Gujarat	Mar-17	E-Waste	Rs.51,641
16	Indian Farmers Fertiliser Cooperative Ltd Kandla	Kalol, Gujarat	Feb-17	E-Waste	Rs.11,39,180
17	Bennet Coleman & Co Ltd	Ahmedabad, Gujarat	May-17	E-Waste	Rs.27,839
18	Indian Air Force	Gandhinagar, Gujarat	Feb-17	E-Waste	Rs.5,072
19	Shri Gitanjali Mahila Sewa	Ahmedabad, Gujarat	Nov-16	E-Waste	Rs.15,000

## 1.4 Membranes

With almost 80% dye manufacturing market based in Surat and Ahmedabad, Gujarat, our company acquired the distribution rights of selling entire range of CSM Nano membranes from the company named Woongjin Chemicals Co. Ltd during 2016 for the state of Gujarat. Further during January 2017, our company was awarded with the distribution and selling rights of entire CSM-RO membranes for the state of Gujarat, Rajasthan and Madhya Pradesh.

Woongjin Chemicals Co. Ltd manufactures membrane filtration products such as Reverse Osmosis membrane, Ultra-filtration membranes under the brand name of “CMS membranes”. In 2014, Woongjin Chemicals Co. Ltd became a wholly owned subsidiary of Toray Advanced Materials Inc. a multi-national company headquartered in Tokyo, Japan “Woongjin Chemicals Co Ltd.” and “CMS Membrane” brand names were retained after the merger by Toray Advanced materials Inc.

Woongjin Chemicals Co. Ltd. manufactures wide range of Reverse Osmosis Membranes, Nano Filtration Membranes and Ultra- Filtration membranes with applications in industrial and government sectors.

1. Reverse Osmosis membranes are used in applications such as fresh water treatment, ground water treatment, sea water desalination and waste water treatment etc. CSM RO membranes are majorly manufactured in 4-inch and 8-inch sizes suitable for brackish water treatment, sea water treatment, low fouling membranes, ultra-pure membranes and low energy membranes.
2. Nano filtration membranes are used for product concentration, product desalting and product dewatering etc. CSM Nano membranes are manufactured in 4-inch and 8-inch sizes.
3. Use of a De-mineralized (DM) plant and Mixed Bed to produce ultra-pure water for very sensitive industrial applications can be directly replaced with our unique range of Ultra-Pure membranes. These membranes are capable of producing low TDS/Conductivity (less than 0.5 ppm / less than 1  $\mu$ S per cm) product water to be used in specific applications, without generating much or any reject stream. Ultra-pure membranes work on a very low trans membrane pressure thus consuming very low electrical energy and can also run on solar power.

## UPCOMING PRODUCTS OF THE COMPANY

FELIX has a wide range of Nano-Particles coming up with molecular shapes and Crystal Structures. Felix as a company will be manufacturing NANO sized particles and will offer some of the following products:



### **CaCo<sub>3</sub>**

- To be added as Functional Additive and to alter velocity, thixotrophy, Shear Thinning, etc
- Master batch in polymers to increase Young's modulus, impact strength
- Inks, gravure inks, lithographic inks
- R. Rubber inner layer of radial tire



### **TiO<sub>2</sub>**

- Used for high UV light absorbing characters
- Pigment
- Paints/ Varnishes
- Printing inks
- Rubber, plastic, cosmetic

### ZnO

- Extensively used in Semi-conductor for doping ( n-type)
- Heat protecting window
- Thin Film transistors
- Piezoelectric sensor ( highest)
- Vulcanization of Rubber
- Ceramics- For Graze & Frit, Prevents- Crazing & Shivering, Increases-Thermal Conductivity and makes Glossy Film Sheet
- Pharma-Ointments, Lotion
- Cigarette Filters-Absorbs HCN & H<sub>2</sub>S
- Corrosion prevention in nuclear reactors
- Catalyst- Dehydrogenation

### Fe<sub>3</sub>O<sub>4</sub>

- Fe<sub>3</sub>O<sub>4</sub> as nanoparticle is used in MRI scanning

## PLANT AND MACHINERIES

Sr. No.	Machinery	No. of Machines/ Plants	Automated/ Manual	Owned/ Contract	On
1.	H. C Pilot Plant	2	Manual	Owned	
2.	Porex Pilot Plant	1	Manual	Owned	
3.	UF Pilot Plant	1	Manual	Owned	
4.	R.O/ Nano Pilot Plant	1	Manual	Owned	
5.	S.S 50 micron inline filtration	1	Manual	Owned	
6.	Resign Collum	1	Manual	Owned	

## OUR COMPETITIVE STRENGTHS

We derive our strengths from following factors:

### Technical Expertise

Felix Industries Limited is having its in-house engineering and research capabilities that help develop newer technologies and treatment/recovery solutions for critical wastewater streams that results in getting awarded by various innovative water and wastewater treatment projects throughout many diversified industries. The E-Waste division to provide wide regional solution by integrating the existing skill of informal sector in India along with mechanical expertise that result in economic viability of the business incorporates similar processing/recycling innovations.

### Multidisciplinary Profile

Felix Industries Limited is a multi-disciplinary company that wants to develop new ideas for a more environmentally, socially and economically sustainable society and converting them to reality with a vision of “Recycle-Reuse-Recover-Reduce”.

### Independent Execution Capabilities

The company’s execution capabilities help clients facing both social and economical challenges to use treat and conserve this resource. Felix combines the strength of an industry leading EPC firm with specialized and proven technologies and in-house engineering capabilities.



### Networking Strength

Felix Industries Limited over the years has developed and implemented a wide range of networking channels throughout the industry and society to strengthen the scope of identifying core customer base and designing right marketing strategies for procurement and liaising of projects to deliver customized solutions for clients to excel in conservation of resources and environment.

### Quality Projects and Committed Operations

Felix is committed to deliver high quality of plants, improved technology based solutions on turnkey basis backed with devoted services and our un-beaten competitiveness ensures complete customer satisfaction. The company managed by a group of leading professionals, technocrats and engineers, has developed in house capabilities towards Detailed Engineering and Project Execution, and well established After Sales Services Network.

The company plans to better its infrastructure, grow and develop its skills and man force along with projecting increased revenue with making possible availability of required infrastructure and working capital.

## OUR BUSINESS STRATEGIES/ FUTURE PLANS

### Understanding the market dynamics

- To get more familiar with industry characteristics
- Understand external driving factors such as regulations and policies
- Identify target market
- Market's implicit and explicit needs
- Evaluate competitor's positioning strengths and weaknesses for our efficient pricing and positioning
- Strengthen market access channels and open access to key segments.

### Improving and assessing existing capabilities and offerings

- Service evolution plans
- Economic assessment of manufacturing/reprocessing
- Customer service
- Develop strategic segments based on needs and new service offerings
- Pricing and promotions
- Assessing optimal implementation, risk and revenue channels

### Improving our processing infrastructure

- To develop as a primary waste management/recycling company that can handle large volumes of waste generations.
- To provide ease to the government and the OEM's to rely on our network, services and processing abilities to deliver effective regulations.
- To make available secondary resources to the economy.
- To lessen the impacts of informal handling of waste to curb harmful impacts to human health and environment.

### Modernizing sewage treatment technologies

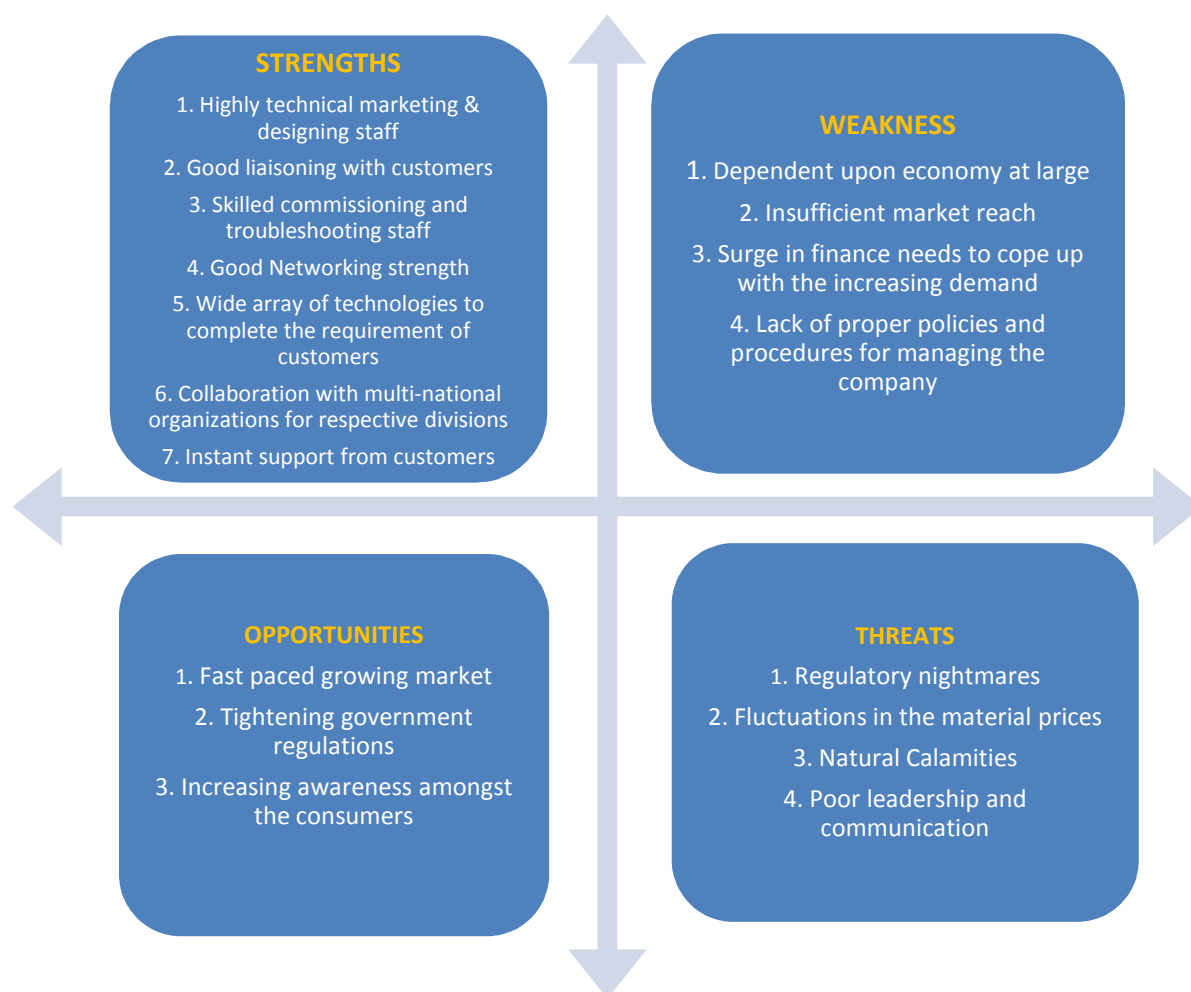
- Change the perception of conventional sewage treatment techniques that typically is labour intensive, requires more space and has variable output parameters.
- Collaborate with other sewage treatment pioneer's to develop automatic plug and play treatment plants, that has low energy consumption, requires less foot space, has constant output parameters, makes available sewage treated water to be recycled and reused.

## Improving e-waste recycling facility management

- Build, develop and operate a hybrid system that integrates the regionally available manual skill sets and mechanical expertise of shredding and sorting machineries.
- System that can tackle local generations and can provide output fraction that can be readily integrated in the Indian economy as secondary resources.
- To handle larger volumes more efficiently and recover metal and non-metal fractions more efficiently.

PROJECTED GROWTH OF THE COMPANY					
					(in Lakhs)
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Sales	1175	1461	1608	1764	1935
COGS	920.54	1133.92	1248.93	1375.34	1529.43
Gross Profit	254.46	327.08	359.07	388.66	405.57
EBITDA	118.86	167.08	183.07	195.66	193.57
Profit Before tax	86.8	132.51	146.2	156.5	154.23
Tax	23.2	38.7	42	46.4	47.7
Net Profit	63.6	93.81	104.2	110.1	106.53
Paid up Capital(No. of Shares)	50.9	50.9	50.9	50.9	50.9
EPS	1.25	1.84	2.05	2.16	2.09
<p><i>The above table is regarding expected financial results of the company and it is based on the estimates and judgments of the company. It may involve known and unknown risk and uncertainties which may cause our actual financial results materially different from the above mentioned financial results. Please refer to the “Risk Factors” of the Company on page no. 17 of this Draft Prospectus.</i></p>					

## SWOT ANALYSIS OF OUR COMPANY



## HUMAN RESOURCES/ EMPLOYEES

We believe that a team of committed and motivated employees is a key competitive advantage and will benefit us in our future growth and expansion. Our business model requires a mix of skilled, semi-skilled and un-skilled labour. Our Company currently has 27 employees in total. Besides these employees, skilled, semi-skilled and un-skilled labours are outsourced via contract agreement entered into with the Contractors.

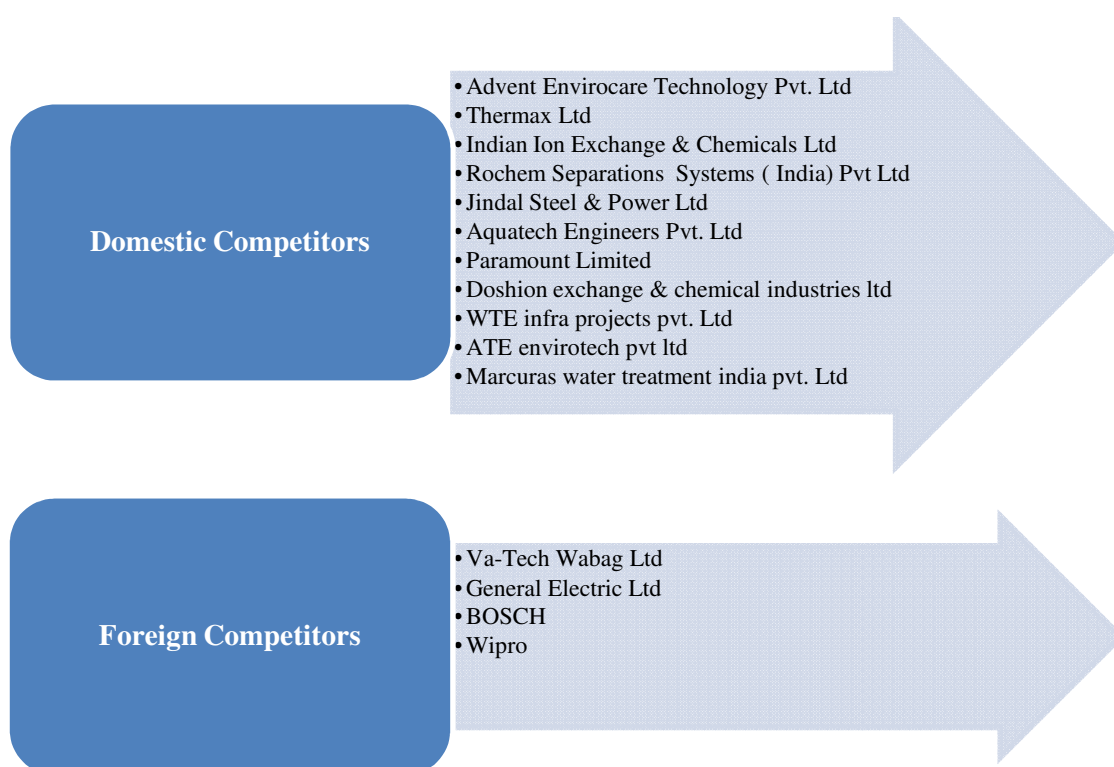
The details of manpower employed as on date are as under:

Category	Company Pay Roll
Executive Directors	2
Senior Managerial Team / KMP	3
Officers/Executives	7
Administrative staff	9
Skilled Workers	2
Semi-Skilled Workers	0
Unskilled Workers	4
<b>TOTAL</b>	<b>27</b>

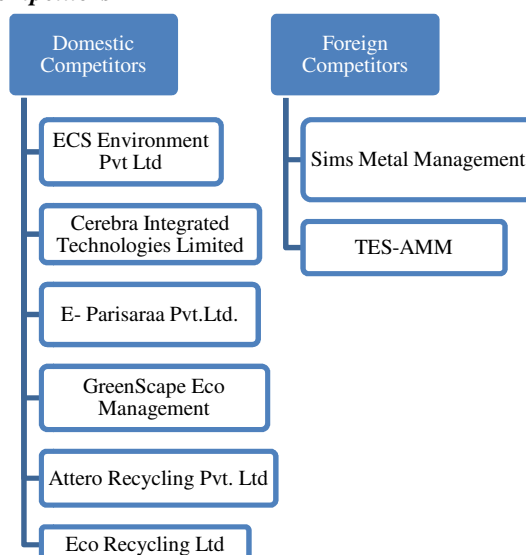
## COMPETITION

We operate in a competitive industry, with almost all the projects awarded based on the past relevant experience of the bidder, financial capability and most attractive bid price. While client decisions in selecting contractors also take into account quality of service, technical expertise, past experience and performance and availability of skilled personnel, the deciding factor in awarding contracts is the price. Competitors having superior financial, research, execution and marketing resources than us pose competition to us. However, we expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors.

### *Water and waste water Division competitors*



### *E-waste Recycling Division Competitors*



## COLLABORATIONS

### ➤ *Technical Collaboration With Gea Engineering*

Our company has entered into a Technical Collaboration with GEA Engineering & Environment Consultants Inc., a New York based water treatment company which has the required expertise in designing systems using Membrane and have been operating since more than two decades with a global presence. GEA is in the forefront of new and emerging technologies for water reclamation and reuse. It is a multi-disciplined international water and waste water firm specializing in the planning, designing and construction of Industrial water and wastewater facilities including water treatment plants, as well as water reclamation and desalination systems using Membrane Technologies using reverse osmosis. Further with the focus on serving the private industry, GEA is providing cost effective systems using latest technology for waste water treatment and water purification. The company holds patents. The company has presence across various geographies. By using the latest membrane and energy recovery systems, GEA is able to provide energy efficient and low cost treatment services along with water reclamation services. Apart from the services provided by GEA, they have also been a consultant in various projects totaling to \$ 100 Million in construction costs.

Following industries are being served by GEA:

- Pharmaceutical
- Data Server
- Automotive
- Industrial Wastewater Plants
- Textile & Dyes
- Beverage & Bottling
- Food and Dairy
- Agriculture & Cheese
- Electrical Utilities
- Electronics
- Petro-Chemical
- Cosmetics Manufacturers

The primary role of our company will be obtaining potential clients, preparing the offerings, contracting with Clients, as well as building and operating the facilities and GEA's role will be the planning and design of the facilities, and participation with our company in the proposal offering. Our company with the support of GEA Engineering will spearhead the domain of industrial waste water treatment and recycling, water processing municipal water treatment and allied services for conservation of the environment.

### ➤ *Contract With Umicore Precious Metals Refining*

Our Company has also entered into contract with UMICORE PRECIOUS METALS REFINING, a company at Hoboken (Belgium) with respect to recycling by UMICORE of complex precious metal bearing components of e-waste particularly PCB'S. The collaborations is looked upon even to explore future plans to equip infrastructure and technology for enhancing the company's refining capacities.

## SAFETY, HEALTH AND ENVIRONMENT

We seek to follow and comply with all applicable occupational safety and health legislation and provide a safe working environment for our workers. Applicable health, safety and environmental legislation and other requirements differ for our different operations. To help ensure effective implementation of our safety policies and practices, at the beginning of each project we identify potential material hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We endeavour to minimize accidents at our project sites. Our Company equips labourers with safety equipment and material that covers them from

the risk of potential health hazards. Project heads are principally responsible for ensuring that safety standards are met at project sites.

## INFORMATION TECHNOLOGY

We believe in efficiently and optimally utilising our resources, personnel and equipment through the use of sophisticated management information systems and tools. We constantly upgrade our technology in order to meet our business needs. We use information technology systems to enhance our performance and efficiency. We have implemented enterprise resource planning software across the various business functions in our Company to integrate systems among our departments, including engineering and accounting. We believe that this system will allow us to streamline our processes while enhancing our monitoring and control functions. We believe that this system will allow us to streamline our processes while enhancing our monitoring and control functions.

## OUR PROPERTIES

### *Immovable properties*

We own and lease certain properties for our corporate operations and projects. The brief details of some of the material properties owned/leased by our Company are set out below:

Name of the seller/Lessor	Location	Area	Purpose	Purchase/On Rent	Consideration (In Rs.)
Ritesh Vinay Patel	208, Devshruti Complex, Opp. Medisurge hospital, Nr. Mithakali Crossroads, Ellisbridge, Ahmedabad-380006	1,370 sq. ft.	Registered Office	Rent free*	Not Applicable
Ritaben Dineshbhai Patel	Plot No. E/56, Gandhinagar Electronics Estate, GIDC Sector-26, Gandhinagar	5,000 sq. ft.	Factory	On Rent**	Rs. 20,000 per month
Plastworld	Plot No.123, Lambha, Vatwa, Ahmedabad-380011	1462.09 sq. mt.	Industrial Purpose	Purchased by Company	Rs. 66,00,000

*\*The Registered office of the Company situated at 208, Devshruti Complex, Opposite Medisurge Hospital, Near Mithakali Cross Road, Ellisbridge, Ahmedabad – 380006 is owned by the Promoter, Mr. Ritesh Patel. The Company has received a No Objection Certificate in favour of the Company permitting the Company to use the Premises. As on the date of this Draft Prospectus, the Company has not executed a legally valid and binding Leave and License Agreement*

*\*\*The Company has presently discontinued its e-waste business activity at this location and in the process to surrender/cancel the rent agreement of the said property and will shift its entire business to its owned manufacturing location at Plot No.123, Lambha, Vatwa, Ahmedabad-380011.*

*The Company is required to obtain Gumasta Dhara Certificate under the Bombay Shops and Establishments Act, 1948 for their premises owned by the Company at Electronic Estate, Gezia, GIDC, Gandhinagar; which the Company has not obtained till date.*

**Intellectual Property**

Felix®

As on the date of this Draft Prospectus, the current logo of the Company belongs to and is registered in the name of our Company. We seek to protect our intellectual property rights to the extent practicable. The trade name “Felix” has been registered under class 7 and 42 under the Trade Marks Act, 1999 in India since December 22, 2015.

The Company has allowed some of its group Companies (viz. Felix Colourant Private Limited and Felix Nano Synthesis Private Limited) to use the trademark “Felix” which is owned by the Company. However, there are no written agreements in place to record the terms and conditions on the basis of which the trademark can be used.

For details on the status of the application made to register our logo, please refer to the chapter **“Government and Other Approvals”** on page no.263.

**ASSETS INSURED**

Sr. No.	Policy No.	Policy Details	Expiry date	Sum Assured Amt (In Rs.)	Insurance Company
1	302100/11/16/3100000689	Standard Fire and Special Perils Policy- Insurance taken on building and Furniture , fixtures and fittings which are subject to Earthquakes (Fire and Shock)	November 15, 2017	1. 70,00,000 (Building) 2. 13,50,000 (Furniture, Fixtures and Fittings)	National Insurance Company Limited
2	302100/11/16/3100000838	Standard Fire and Special Perils Policy- Insurance taken of stock and stock in process.	February 5, 2018	33,75,000	National Insurance Company Limited
3	3114201808060800000	Workmen Compensation- Insurance taken for workers	June 14, 2018	10,20,000	HDFC Ergo General Insurance Company Limited
4	NA	Public Liability Industrial insurance	October 13, 2017	Any one accident Rs.1,00,00,000 Aggregate during policy period Rs.1,00,00,000	TATA -AIG General Insurance Company Limited
5	18358313	IPRU Wealth Builder II – Key Man Insurance policy of Mr. Ritesh Patel	February 12, 2034	15,00,000	ICICI Prudential Life Insurance
6	70272000	India First Money Balance Plan- Key Man Insurance policy of Mr. Ritesh Patel	December 30, 2030	10,00,000	India First Life Insurance
7	70147399	India First Money Balance Plan- Key Man Insurance policy of Mr. Taufikali Liyakatali Siddigi	March 30, 2029	5,00,000	India First Life Insurance
8	18289917	ICICI Pru Wealth Builder- Key	December	5,00,000	ICICI Prudential



Sr. No.	Policy No.	Policy Details	Expiry date	Sum Assured Amt (In Rs.)	Insurance Company
		Man Insurance policy of Mr. Ritesh Patel	31, 2033		Life Insurance
9	S8505650	Private Car Comprehensive Insurance Policy	August 04, 2018	11,81,790 (Insured Declared Value)	Bharti Axa
10	3O05/2ALO6 95Z24IBO/00 00045031	ICICI Lombard Motor Insurance3	December 26, 2018	38,780 (Insured Declared Value)	ICICI Lombard

## KEY INDUSTRY REGULATIONS AND POLICIES

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*In addition to what has been specified in this Draft Prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Sales Tax Act, 1956, various labor laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the section titled “**Government and Other Approvals**” beginning on page 263 of this Draft Prospectus.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations are applicable to our company

### ENVIRONMENTAL LAWS

#### **1. The Water (Prevention And Control Of Pollution) Act, 1974 (“Water Act”)**

The Water Act aims to prevent and control water pollution. This legislation provides for the constitution of a central pollution control board and state pollution control boards for the performance of various functions relating to prevention and control of water pollution. Prior consent of the State Board is required before the establishment of a new operation which is likely to discharge sewage or trade effluent into a stream, well, sewer or on land. The Water Act prohibits the use of a stream or well for the disposal of any polluting matter. The State Boards have the power of entry and inspection and to take samples of effluents passing from any plant into any stream or well for the purposes of determining such violation.

#### **2. The Air (Prevention And Control Of Pollution) Act, 1981 (“Air Act”)**

The central and state pollution control boards constituted under the Water Act are also to perform functions as per the Air Act for the prevention and control of air pollution. The Air Act aims for the prevention, control and abatement of air pollution. In terms of the Air Act, it is mandated that no person can, without the previous consent of the state board, establish or operate any industrial plant in an air pollution control area.

#### **3. The Water (Prevention And Control Of Pollution) Cess Act, 1977 (“Water Pollution Cess Act”)**

The Water Pollution Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries to augment the resources of the central pollution control board and state pollution control boards. The Water Pollution Cess Act also provides for a rebate to the extent of 25% of the cess payable, in favour of persons who, being liable to cess under the Water Pollution Cess Act, install any plant for the treatment of sewage or effluents. However this rebate is not applicable to persons consuming water in excess of the maximum prescribed quantity or who fail to comply with the provisions of section 25 of the Water Act or who fail to adhere to standards laid down by the Central Government under the Environment Act.

#### **4. *The Environment Protection Act, 1986 (“Environment Act”)***

The Environment Act has been enacted for the protection and improvement of the environment. The Environment Act empowers the GOI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas in which any Industries, operations or processes or class of industries, operations or processes shall not be carried out or shall be carried out subject to certain safeguards and so on. The GOI may make rules for regulating environmental pollution. The Environment (Protection) Rules, 1986 (Environment Rules), as amended, further the purpose of the Environment Act. Rule 3 of the Environment Rules read with the Schedules to the Rules lay down the standards of emission or discharge of environmental pollutants. Rule 3 also permits the central board or state boards to prescribe even more stringent emission/discharge standards. Rule 5 sets out the procedure and considerations to be taken into account by the Central Government while passing an order prohibiting or restricting the location of industries.

In exercise of the powers conferred to the Central Government under the Environment Act, the Central Government has also made certain rules under the Environment Act, the notable ones being mentioned below:

1. Solid Waste Management Rules, 2016
2. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
3. E-waste (Management) Rules, 2016

#### **5. *The Public Liability Insurance Act, 1991***

Public Liability Insurance Act, 1991 provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. It is the duty of the owner to take out one or more insurance policies providing for contracts of insurance whereby he is insured against liability to give relief.

### **MISCELLANEOUS**

#### **1. *Basel Convention***

The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal was adopted on 22 March 1989 by the Conference of Plenipotentiaries in Basel, Switzerland, in response to a public outcry following the discovery, in the 1980s, in Africa and other parts of the developing world of deposits of toxic wastes imported from abroad. The Convention, to which India is also a party, was brought into force in 1992 and aims at reducing and regulating the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from the developed to the less developed countries.

The overarching objective of the Basel Convention is to protect human health and the environment against the adverse effects of hazardous wastes. Its scope of application covers a wide range of wastes defined as “hazardous wastes” based on their origin and/or composition and their characteristics, as well as two types of wastes defined as “other wastes” - household waste and incinerator ash.

## LABOUR LAW

Our Company is required to comply with the laws, rules and regulations in relation to hiring and employment of labour. Labour legislation in India classifies persons into ‘employees’ and ‘workmen’ based on factors which inter alia include nature of work and remuneration. While workmen are typically entitled to various statutory benefits including gratuity, bonus, retirement benefits and insurance protection, employees are governed by the terms of the contracts governing them.

### ***1. Employees Provident Fund And Miscellaneous Provisions Act, 1952***

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“EPF Act”), compulsory provident fund, employees pension fund and deposit linked insurance are payable to employees in factories and other establishments. The EPF Act inter-alia provides that a factory mentioned in Schedule I employing 20 (twenty) or more 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 Central Government may notify other establishments to which the EPF Act shall apply. 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 inter-alia imposes punishments on any person who avoids making payments required to be made under the schemes made under the EPF Act and specifically on employers who contravene or default in complying with certain provisions of the EPF Act. If the person committing an offence is a company, every person who at the time the offence was committed was in charge of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

### ***2. The Employees State Insurance Act, 1948 (“ESI Act”)***

An ESI Act aims to provide for certain benefits to employees in case of sickness, maternity, ‘employment injury disablement and to make provision for certain other matters in relation thereto. The Act provides for the establishment of a Corporation to be known as the Employees’ State Insurance Corporation for the purpose of the administration of Employees State Insurance Scheme. The Corporation shall be a body corporate by the name of Employees’ State Insurance Corporation having perpetual succession and a common seal and shall by the said name sue and be sued.

### ***3. Employees Compensation Act, 1923***

The Employees ‘Compensation Act, 1923 has been enacted with the object to provide compensation to employees by employers for injuries caused by accident(s) arising out of and in the course of employment, resulting into (i) death, (ii) permanent total disablement (iii) permanent partial disablement (iv) temporary disablement whether total or partial, or who has contracted an occupational disease. The Act inter-alia lays down the amount of compensation to be paid in any such circumstance. In case the employer fails to pay the compensation under the provisions of the Act within 1 (one) month from the date it falls due, the employer may be directed to pay the compensation along with simple interest interest or may be liable to pay penalty as directed.

### ***4. The Minimum Wages Act, 1948***

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. An employer who pays to any employee wages less than the minimum rate of wages fixed is punishable with imprisonment upto six months or fine upto five hundred rupees only or both.

### **5. *Payment Of Bonus Act, 1965***

Pursuant to the Payment of Bonus Act, 1965, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus on the basis of profits of the establishment. Contravention of the provisions of the Payment of Bonus Act, 1965 is punishable with imprisonment up to six months or a fine upto Rs.1,000/- only or both.

### **6. *The Payment Of Wages Act, 1936***

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.

## **TAX RELATED LEGISLATIONS**

### **1. *Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Income Tax Act or Rules made under it depending upon its Residential Status and type of Income involved under section 139(1) every company is required to file its Income tax return for every Previous Year (as defined under the Act) by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax and the like are also required to be complied by every Company.

### **2. *Gujarat Value Added Tax Act 2003 (“VAT Act”)***

The VAT Act aims to address the problem of cascading effect (double taxation) that were being levied under the system of sales tax. Under the regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence, VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax-that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the company.

### **3. *Central Sales Tax Act, 1956***

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

### **4. *Customs Act, 1962***

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

### **5. Service Tax (Finance Act, 1994)**

In accordance with Rule 6 of Service tax Rules the assessee is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

### **6. Goods and Service Tax Act, 2017**

Goods and Service Tax (GST) is one of the most remarkable tax reforms that has taken place in India so far. The Central Goods and Services Tax Act, 2017 (“GST Act”), simplifies the process of taxation on goods and services in India. The act bestows power on the Parliament and the State legislatures to make laws for imposing taxes on goods and services at the national level. **GST** is an indirect tax which was introduced in India on 1 July 2017 and is applicable throughout India which has replaced multiple cascading taxes levied by the central and state governments. The single GST replaced several former taxes and levies which includes central excise duty, services tax, additional customs duty, surcharges, state-level value added tax and Octroi. Other levies which were applicable on inter-state transportation of goods have also been done away with in GST regime.

**Apart from the abovementioned legislations, the following enactments, rules and guidelines may also apply to our Company:**

1. The Foreign Exchange Management Act, 1999
2. The Equal Remuneration Act, 1976
3. The Maternity Benefit Act, 1961
4. Shops and Establishment Acts
5. Sexual Harrasment of Women’s at Workplace (Prevention, Prohibition and Redressal) Act, 2013

## HISTORY AND CERTAIN CORPORATE MATTERS

### *History of our Company*

Our Company was originally incorporated as “Felix Industries Private Limited” on September 18, 2012 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company was subsequently converted in to a public limited company and consequently the name was changed to “Felix Industries Limited” (FIL) vide fresh certificate of incorporation dated April 24, 2017 issued by Registrar of Companies, Ahmedabad, Gujarat. The CIN of the Company is U40103GJ2012PLC072005.

The Promoters of the company are Mr. Ritesh Vinay Patel & Mr. Sagar Samir Shah with an aim of running a Waste-Water and E-waste recycling business started these divisions as a part of business growth.

Established in 2012, Felix Industries Ltd is an Environmental Conservation Company with a fundamental vision of “Recycle-Reuse-Recover-Reduce”. The company is based out of Ahmedabad, Gujarat and spear headed by Mr. Ritesh Vianay Patel, a Chemical Engineer with an experience of close to six years and Mr. Sagar Samir Shah who holds Masters Qualification in Environmental Biotechnology and Sustainable Waste Management with an experience of three years. With a journey of over five years the company has forayed into different business segments i.e. Water and Waste Water Recycling, Industrial Piping, Nano Products (Membrane Technologies) and E-waste Recycling.

The company through its Water and Waste Water Recycling division has been engaged into designing, engineering, procurement and construction of effluent recycling and reuse plants where their major areas of focus and expertise are:-

1. Water & Waste Water Recycling systems and other allied services
2. Advanced Membrane Separation Systems
3. Zero Liquid Discharge Systems
4. Product Recovery from Effluent Waste
5. Ultra Pure water for Food and Pharmaceutical Industries
6. Raw Water Reverse Osmosis Plant

Felix through its water treatment division provides its services to industries such as steel, chemical, pharmaceutical, plastic, paper & pulp, leather, automotive, textile & dyes, food and dairy etc. Our company also provides complete water and waste water solutions using Membrane Separation Technology including pre-treatment and post-treatment.

Our company has entered into a Technical Collaboration with GEA Engineering & Environment Consultants Inc., a New York based water treatment company which has the required expertise in designing systems using Membrane and have been operating since more than two decades with a global presence. It is a multi disciplined international water and waste water firm specializing in the planning, designing and construction of industrial water and wastewater facilities including water treatment plants, as well as water reclamation and desalination systems using Membrane Technologies using reverse osmosis. Further with the focus on serving the private industry, GEA is providing cost effective systems using latest technology for waste water treatment and water purification.

Felix Industries with the support of GEA Engineering will spearhead the domain of industrial waste water treatment and recycling, water processing municipal water treatment and allied services for conservation of the environment.



Our company during FY12, was appointed as an authorized distributor and marketing associate of Astral Poly Technik Ltd for its industrial piping sales. Further during same year it also entered into a tie-up with an MNC name The Aliaxis Group to market and distributes their Thermoplastic products with the exclusivity of distributing the products in entire state of Gujarat. Through this division, our company provides a range of thermo-plastic pipes, fittings & valves and also provides end-to-end service right from selection of pipes to design, supply and installation.

Felix is a government approved e-waste recycling company with a processing capacity of 6000 MT per year and it also has one of the largest recycling capacities in India. The E-Waste collected from pan India is processed at the company's plant located at Electronic Estate, Gandhinagar where activities like e-waste collection, storage, dismantling and segregation takes place. The premises are well equipped with all the necessary facilities and follow all the safety procedures required for a good working environment along with a dedicated team of experts to identify process and re-use E-waste. The purpose behind starting this division was to take care of the growing menace of electric and electronic waste and will help reduce their environmental effects.

Our promoters, Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah have the required experience of the said industry of around six and three years respectively, through which they have been taking right steps towards the direction of developing the waste-water and e-waste recycling business in a more organized manner thereby expanding their horizon to various industries and geographies across the world. For further information on our business, please refer to "Business Overview" beginning on page no.137 of this Draft Prospectus.

Our Revenues have grown from Rs. 315.12 Lakhs in fiscal 2016 to Rs. 517.25 Lakhs in fiscal 2017. Our net profit after tax was Rs. 11 Lakhs in fiscal 2016 and Rs. 17.20 Lakhs in fiscal 2017. For further details pertaining to our financial performance, please see "Financial Information" beginning on page no. 213 of this Draft Prospectus.

For details on the government approvals, please refer to the chapter titled "**Government and Other Approvals**" on page no.263 of this Draft Prospectus.

For further details of our Company's activities, services and the growth of our Company, please refer to the chapters titled '**Business Overview**' and '**Management's Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page no. 137 and 248 respectively of this Draft Prospectus.

The total number of members of our Company as on the date of filing of this Draft Prospectus is 7 (Seven only). For further details, please refer the chapter titled '**Capital Structure**' beginning on page no. 64 of this Draft Prospectus.

### **Registered Office and Factory**

Our Company's Registered Office is currently situated at 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad -380006, Gujarat, India. Since incorporation, the registered office address has remained the same and there is no change in the registered office address as on the date of filing this Draft Prospectus. Our factory is located at Plot No. E/56, Gandhinagar Electronics Estate, GIDC Sector-26, Gandhinagar. For further details of our Properties, please refer to the chapter titled '**Business Overview**' beginning on page no. 137 of this Draft Prospectus.

***Amendments to the MOA of our Company since Incorporation***

Since incorporation, the following amendments have been made to the MoA of our Company:

Sr. No.	Changes In M.O.A	Date & Type of Meeting
1.	Increase in authorized capital from Rs.10.00 Lakhs to Rs.25 Lakhs.	07/03/2015; EGM
2.	Increase in authorized capital of the Company from Rs.25 Lakhsto Rs.2.5 Crores.	31/08/2016; EGM
3.	Increase in authorized capital of the Company from Rs.2.5 Crores to Rs. 5.2 Crores	06/03/2017; EGM
4.	Change in the name of Company from “Felix Industries Private Limited” to “Felix Industries Limited”	11/04/2017; EGM
5.	Adoption of new set of Memorandum of Association and Articles of Association	11/04/2017; EGM
6.	Alteration in the Main Object Clause of the Memorandum of Association	10/06/2017; EGM

***Subsidiaries and Holding Company:***

Our Company is not a subsidiary of any company. Further, as on the date of this Draft Prospectus our Company does not have any subsidiary company.

Our Company has no holding company as on the date of filing of the Draft Prospectus.

***Promoters of our Company:***

The Promoters of our Company are Mr. Ritesh Vinay Patel & Mr. Sagar Samir Shah. For details, please refer to the Chapter titles “Our Promoters and Promoter Group” beginning on page 198 of the Draft Prospectus.

***Fund raising through equity or debt:***

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled '*Restated Financial Statement*' and '*Capital Structure*' beginning on page no.213 and 64, respectively, of this Draft Prospectus.

***Revaluation of assets:***

Our Company has not revalued its assets since its incorporation.

***Changes in the activities of Our Company having a material effect***

Other than as mentioned above in the chapters titled '*Business Overview*' and '*History and Corporate Structure*' beginning on page no.137 and 177, respectively, of this Draft Prospectus, there has been no change in the activities being carried out by our Company which may have a material effect on the profits/ loss of our Company, including discontinuance of the current lines of business, loss of projects or markets and similar factors.

***Details of Past Performance***

For details in relation to our financial performance in the previous two financial years, including details of nonrecurring items of income, please refer to the section titled “*Financial Information*” beginning on page 213 of this Draft Prospectus.

***Injunctions or Restraining Orders:***

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

***Mergers and acquisitions in the history of our Company***

There has been no merger or acquisition of businesses or undertakings in the history of our Company and we have not acquired any business/undertakings till date.

***Defaults or Rescheduling of borrowings with financial institutions/banks:***

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

***Strikes and lock-outs:***

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Prospectus, our employees are not unionized.

***Time and cost overruns in setting up projects:***

As on the date of this Draft Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

***Number of Shareholder in the Company***

As on the date of this Draft Prospectus, the total number of holders of our Equity Shares is 7. For further details of our shareholding pattern, please see '*Capital Structure*' on page no. 64 of this Draft Prospectus.

***Shareholders' agreement:***

As on the date of this Draft Prospectus, our company does not have any shareholders' agreement.

***Other Agreements:***

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Draft Prospectus.

***Strategic/ Financial Partners:***

Our Company does not have any strategic/Financial partner(s) as on the date of this Draft Prospectus.

***Corporate Profile of our Company***

For details on the description of our Company's activities, the growth of our Company, please see "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Issue Price*" on pages 137, 248 and 96 of this Draft Prospectus.

***Other declarations and disclosures***

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Company has not made any Public Issue or Rights Issue (as defined in the SEBI (ICDR) Regulations) in the past. No action has been taken against our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

## OUR MANAGEMENT

Currently, our Company has 6 (six) Directors out of which 3 (Three) are Non-Executive Independent Directors. We confirm that the composition of our Board of Directors complies with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Prospectus:

<b>Name : RITESH VINAY PATEL</b>	<b>Name : SAGAR SAMIR SHAH</b>
DOB : 09/05/1987	DOB : 15/03/1991
AGE: 29 years	AGE: 25 years
DIN : 05350896	DIN : 03082957
PAN : AMYPP8155F	PAN : CKLPS2759H
Designation: Managing director	Designation: Executive Director
Address : 17, Satellite Society, Opp. Sundervan, Satellite Road, Ahmedabad- 380015, Gujarat	Address : 2-3 SuyogBungalows, Prahladnagar Garden, Ahmedabad- 380051, Gujarat
Experience : 6 years	Experience : 2 years
Occupation : Business	Occupation : Business
Qualification: Chemical Engineer	Qualification: M.Sc. in Sustainable Waste Management
Appointment: 01/04/2017	Appointment: 01/04/2017
Date of Expiry of Term of Office: 5years	Date of Expiry of Term of Office: 5years
Holding : 17,38,000 Shares	Holding : 18,98,000 shares
Other Directorships: ▪ Felix Nano Synthesis Private Limited ▪ Felix Colourant Private Limited	Other Directorships: ▪ Felix Colourant Private Limited
<b>Name : SHWETA SAMIR SHAH</b>	<b>Name : JANESH KUNDANLAL VYAS</b>
DOB : 17/11/1969	DOB : 02/01/1957
AGE: 47 yrs	AGE: 50 years
DIN : 03082967	DIN : 03291038
PAN : AQFPS5288K	PAN : AAJPV8811B
Designation: Non-Executive Director	Designation: Independent Director
Address : 2 SuyogBungalow, Vejalpur, Ahmedabad- 380051	Address : B/403, Riddhi Complex, Jodhour Village, Ahmedabad- 380015, Gujarat
Experience : NIL	Experience : 20 years
Occupation : Business	Occupation : Business
Qualification: B.Com	Qualification: B.E. (Chemical Engineer)
Appointment: 11/04/2017	Appointment: 10/06/2017
Date of Expiry of Term of Office: Liable to retire by rotation	Date of Expiry of Term of Office: 5years
Holding : 1000 shares	Holding : NA
Other Directorships: Nil	Other Directorships: NIL
<b>Name : KASHYAP HSAMUKHLAL SHAH</b>	<b>Name : RAXESH CHANDRAVANDAN SATIA</b>
DOB : 26/08/1970	DOB : 14/04/1968
AGE: 46 years	AGE: 49 years
DIN : 00169746	DIN : 00577822
PAN : AJRPS7532D	PAN : AIFPS9426F
Designation: Independent Director	Designation: Independent Director
Address : A/30, Mahesana Nagar Society, Nizampura, Baroda- 390002, Gujarat	Address : 12, Devi Park Society, Vastrapur, Ahmedabad-380015, Gujarat
Experience : 20 years	Experience : 15 years
Occupation : Business	Occupation : Business

Qualification: MSC in applied Chemistry and MBA in Marketing	Qualification: S.Y. B.Com
Date of Expiry of Term of Office: 5years	Date of Expiry of Term of Office:5years
Appointment: 10/06/2017	Appointment: 10/06/2017
Holding : NA	Holding :NA
Other Directorships: ▪ Anugrah Inorg Private Limited	Other Directorships: - ▪ Rajpath Club Limited ▪ Karnavati Club Limited

***As on the date of the Draft Prospectus:***

- 1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date of this Draft Prospectus.***
- 2. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or Our Company are debarred by SEBI from accessing the capital market.***
- 3. 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 SEBI or any other regulatory authority.***
- 4. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Draft Prospectus or (b) delisted from the stock exchanges.***

***Brief Profile of the Directors of our Company***

**PROMOTER DIRECTOR**

**Mr. Ritesh Vinay Patel- Managing Director**

Mr. Ritesh Vinay Patel, aged 29 is a Chemical Engineer by qualification and entrepreneur by experience of 6 years in Water & waste water Industry. He has been Director of our company since incorporation. He has been involved in taking projects form end users & taking all approvals from government regarding water and waste water management. He is the backbone of the company; currently looking after identifying, project selection, negotiating and implementing new business opportunities, setting up the overall project infrastructure and team building. He looks after overall business including business development, project implementation of our company.

**Mr. Sagar Samir Shah- Executive Director**

Mr. Sagar Samir Shah, aged 26 years is MSc. in Sustainable Waste Management by qualification and entrepreneur by experience of 2 years in E- waste Industry. He is currently driving the company as an experienced sustainability and networking Director/Promoter through capabilities of effective coordination, management and implementation, finance management, strategic planning, business leadership with a passion for improvement and establishment of a waste and environment Conservation Company in India by connecting with diverse interest of public.

## OTHER DIRECTORS

### **Mrs. Shweta Samir Shah- Non-Executive Director**

Mrs. Shweta Samir Shah, aged 48 years is Bachelors of Commerce degree by qualification. She has been appointed as an additional director on 13<sup>th</sup> February, 2017. Her designation changed from additional director to Director on 11<sup>th</sup> April, 2017

### **Mr. Janesh Kundanlal Vyas- Non- Executive, Independent Director**

Mr. Janesh K. Vyas is a non-executive independent director of our company. He holds the degree of Bachelor of Engineering (Chemical) from L. D. College of Engineering, Ahmedabad. He has an experience of more than 30 years in Water and Chemical Industry He has over 20 years of experience in corporate and division management, development and implementation of business and corporate strategies, business and market development, marketing and sales, project and engineering management, product and technology development, development and implementation of process oriented management systems.

### **Mr. Kashyap Hasmukhlal Shah - Non- Executive, Independent Director**

Mr. Kashyap Hasmukhlal Shah is a non-executive Independent Director of our company. He holds the degree MSC in applied Chemistry and MBA in Marketing. He has over 20 years of experience in the field of Chemicals. He is the Managing Director of Anugrah Inorg Private Limited. Anugrah Inorg Private Limited is manufacture of basic Metals , chemicals and product thereof.

### **Mr. Raxesh Chandravandan Satia- Non- Executive, Independent Director**

Mr. Raxesh C. Satia is a non-executive Independent Director of our company. He holds the degree of Bachelor of Commerce. He has over 15 years of experience in the field of Textile Industry. He is currently the Director of Rajput Club Limited and Karnavati Club Limited as well as Designated Partner in Megha Overseas LLP.

### ***Relationship between Directors***

Except for Mrs. Shweta Samir Shah being the mother of Mr. Sagar Samir Shah; none of the other directors are related to each other and have any family relationships.

### ***Borrowing Powers of the Board***

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company.

Pursuant to a resolution passed in EGM on April 11, 2017 our shareholders authorized our Board to borrow from time to time such sums of money as may be required, provided that such amount shall not exceed Rs. 50.00 Crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no. 348 of this Draft Prospectus.

### ***Remuneration/ Compensation of our Directors***

Set forth below is the remuneration received by our Directors in FY 2017.

Sr. No.	Name of Director	Designation	Amt (Rs. In Lakhs)
1.	Mr. Ritesh Vinay Patel	Managing Director	7.20
2.	Mr. Sagar Samir Shah	Executive Director	4.80
3.	Mrs. Shweta Samir Shah	Non-Executive Director	-
4.	Mr. Janesh Kundanlal Vyas	Independent Director	-
5.	Mr. Kashyap Hasmukhlal Shah	Independent Director	-
6.	Mr. Raxesh Chandravandan Satia	Independent Director	-

### ***Terms and conditions of employment of our Managing Director***

#### **Mr. Ritesh Vinay Patel, Managing Director**

Mr. Ritesh Vinay Patel was designated as the Managing Director for a term of five years commencing, w.e.f. 1<sup>st</sup> April, 2017 vide a resolution of the Board of Directors dated 17<sup>th</sup> March, 2017.

**Compensation of our Managing Director** - As per the approved resolution in the Board Meeting dated 17<sup>th</sup> March, 2017, the compensation of the Managing Director is as follows:

<b>Period</b>	5 yrs
<b>Remuneration</b>	Rs. 30 Lakhs
<b>Perquisite, Allowances and Commission</b>	As per Schedule V of the Companies Act, 2013

There is no definitive and /or service agreement that has been entered into between our Company and the managing director in relation to his appointment.

### ***Terms and conditions of employment of Executive Director***

#### **Mr. Sagar Samir Shah, Executive Director**

Mr. Sagar Samir Shah was designated as the Executive Director for a term of five years commencing, w.e.f. 1<sup>st</sup> April, 2017 vide a resolution of the Board of Directors dated 17<sup>th</sup> March, 2017.

**Compensation of our Executive Director** - As per the approved resolution in the Board Meeting dated 17<sup>th</sup> March, 2017, the compensation of the Executive Director is as follows:

<b>Period</b>	5 yrs
<b>Remuneration</b>	Rs. 30 Lakhs
<b>Perquisite, Allowances and Commission</b>	As per Schedule V of the Companies Act, 2013

There is no definitive and /or service agreement that has been entered into between our Company and the executive director in relation to his appointment.

### ***Non-Executive and Independent Directors***

Our Independent Directors and Non-Executive Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board.

We also confirm that no remuneration being paid to independent directors.



### ***Shareholding of Directors in our Company***

Our Articles of Association do not require our Directors to hold qualification shares. As on date of filing of this Draft Prospectus, except the following, none of our Directors hold any Equity Shares of our Company:

Sr. No.	Name of the Directors	Designation	No. of Shares held in our Company	% of pre-issue paid-up Equity Share Capital
1.	Mr. Ritesh Vinay Patel	Managing Director	17,38,000	46.65
2.	Mr. Sagar Samir Shah	Executive Director	18,98,000	50.95
3.	Mrs. Shweta Samir Shah	Non-Executive Director	1,000	0.02
4.	Mr. Janesh Kundanlal Vyas	Independent Director	-	-
5.	Mr. Kashyap Hasmukhlal Shah	Independent Director	-	-
6.	Mr. Raxesh Chandravandan Satia	Independent Director	-	-
	<b>TOTAL</b>		<b>36,37,000</b>	<b>97.62</b>

### ***Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the BSE / NSE and reasons for suspension***

None of our Directors is/ was a Director in any listed company during the last five years before the date of filing this Draft Prospectus, whose shares have been/ were suspended from being traded on the BSE and NSE.

### ***Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting***

None of our Directors is or was a director on any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

None of our Directors is or was a director of any listed companies during the five years immediately preceding the date of filing of this Draft Prospectus and until date, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such companies.

### ***Interest of Directors***

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Managing Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/ paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the Issue and also to the extent of any dividend payable to them and other distribution in respect of the said equity shares.

The Directors may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/ or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the equity shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as directors, members, partners and promoters, pursuant to the Issue.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself or other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### ***Interest in promotion of Our Company***

Except for, being Promoters and to the extent to remuneration received/ to be received, none of our Directors have any interest in the promotion of our Company.

### ***Interest in the property of Our Company***

Except stated below, our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of the Draft Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. However, the following relates to the interest of Director in the Properties currently used by our Company:

Name of the seller/Lessor	Location	Area (Sq. Feet.)	Purpose	Purchase/On Rent	Consideration (In Rs.)
Ritesh Vinay Patel	208, Devshruti Complex, Opp. Medisurge hospital, Nr. Mithakali Crossroads, Ellisbridge, Ahmedabad-380006	1,370	Registered Office	Rent free*	Not Applicable

*\*The Registered office of the Company situated at 208, Devshruti Complex, Opposite Medisurge Hospital, Near Mithakali Cross Road, Ellisbridge, Ahmedabad – 380006 is owned by the Promoter, Mr. Ritesh Patel. The Company has received a No Objection Certificate in favour of the Company permitting the Company to use the Premises. As on the date of this Draft Prospectus, the Company has not executed a legally valid and binding Leave and License Agreement*

### ***Interest in the business of Our Company***

Further, save and except as stated otherwise in ‘**Annexure 14: Statement of Related Parties’ Transactions**’ in the chapter titled ‘**Restated Financial Statement**’ beginning on page no. 213 of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

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

***Details of Service Contracts***

However, there is no service contracts entered into with any Directors for payments of any benefits or amount upon termination of employment. Further, since our Company does not have any subsidiaries or associate companies as on the date of filing of this Draft Prospectus, our Directors have received remuneration only from our Company.

***Bonus or Profit Sharing Plan for the Directors***

There is no bonus or profit sharing plan for the Directors of our Company.

***Contingent and Deferred Compensation payable to Directors***

No Director has received or is entitled to any contingent or deferred compensation.

***Changes in the Board for the last three years***

Except as mentioned below, there has been no change in the Board of Directors during the last three (3) years:

	Name	Designation	Date Of Appointment	Date Of Cessation	Remarks
1.	Mr. Raxesh Chandravadan Satia	Independent Director	10-06-2017		Fresh Appointment
2.	Mr. Kashyap Hasmukhlal Shah	Independent Director	10-06-2017	-	Fresh Appointment
3.	Mr. Janesh Kundanlal Vyas	Independent Director	10-06-2017	-	Fresh Appointment
4.	Mrs. Shweta Samir Shah	Director	11-04-2017	-	Regularized as Non-Executive Director
5.	Mr. Ritesh Vinay Patel	Managing Director	01-04-2017	-	Reappointed as Managing Director
6.	Mr. Sagar Samir Shah	Executive Director	01-04-2017	-	Reappointed as Executive Director
7.	Mrs. Shweta Samir Shah	Additional Director	13-02-2017	-	Fresh Appointment
8.	Mr. Sagar Samir Shah	Executive Director	30-09-2016	-	Regularized as Executive Director
7.	Mr. Sagar Samir Shah	Additional Director	30-08-2016	-	Fresh Appointment
10.	Mr. Aditya Pratap Singh	Non-Executive Director	12-01-2013	25-09-2014	Resigned due to personal reasons
11.	Mrs. Mayuri V. Patel	Non-Executive Director	30-09-2014	30-08-2016	Regularised on 30-09-2014 and Resigned due to personal reasons on 30-08-2016
12.	Mrs. Mayuri V. Patel	Non-Executive Director	30-08-2014	-	Appointed as Non-Executive Director
13.	Mrs. Mayuri V. Patel	Additional Director	30-08-2014	-	Fresh Appointment

## Corporate Governance

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. Further, our Company undertakes to comply with all the necessary requirements relating to Corporate Governance as prescribed under Companies Act, 2013 and SEBI Regulations.

In addition to the applicable provision of the Companies Act, 2013 with respect to corporate governance, the provisions of the SEBI(LODR) Regulations, 2015 will not be applicable to our Company upon the listing of the Equity Shares on SME Platform of NSE and is exempted to follow corporate governance norms of SEBI (LODR), Regulations, 2015.

However, our Company is in compliance with the corporate governance code in accordance with Companies Act, 2013, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Remuneration and Shareholder/ Investors Grievance Committee. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas.

### Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in accordance with Companies Act, 2013. Our Board has six Directors, comprising of one Managing Director, one Executive Director, one Non-Executive Director and three Independent Directors.

In terms of Companies Act, 2013, our Company has constituted the following Committees of the Board:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee; and
- 3) Shareholders/ Investors Grievance Committee;

### Audit Committee

The Audit Committee was constituted *vide* Board resolution dated June 27, 2017. As on the date of this Draft Prospectus the Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Janesh Kundanlal Vyas	Chairman	Non Executive-Independent Director
Mr. Raxesh Chandravandan Satia	Member	Non Executive-Independent Director
Mr. Sagar Samir Shah	Member	Executive Director

Our Company Secretary, Ms. Hena Shah is the secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013.

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 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 before submission to the board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- 5) Reviewing, with the management, the half yearly 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//notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - 8) Approval or any subsequent modification of transactions of the company with related parties;
  - 9) Scrutiny of inter-corporate loans and investments;
  - 10) Valuation of undertakings or assets of the 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, 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 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 CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  - 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Audit Committee enjoys following powers:**

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

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the

Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

### **Quorum and Meetings**

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. The Company Secretary of the Company acts as the Secretary to the Committee.

### **Nomination and Remuneration Committee**

The constitution of the Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on June 27, 2017.

As on the date of this Draft Prospectus the Remuneration Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Raxesh Chandravandan Satia	Chairman	Non-Executive -Independent Director
Mr. Janesh Kundanlal Vyas	Member	Non Executive-Independent Director
Mrs. Shweta Samir Shah	Member	Non-Executive Director

Our Company Secretary, Ms. Hena Shah is the secretary of the Nomination and Remuneration Committee.

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

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- 5) To recommend to the Board, the remuneration packages i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc. of the executive directors;
- 6) To implement, supervise and administer any share or stock option scheme of our Company; and
- 7) To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

### **Quorum and Meetings**

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

### Shareholders/ Investors Grievance Committee

The Shareholders/ Investors Grievance Committee have been formed by the Board of Directors at the meeting held on June 27, 2017.

As on the date of this Draft Prospectus the Shareholders/ Investors Grievance Committee consists of the following

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Kashyap Hasmukhlal Shah	Chairman	Non Executive-Independent Director
Mr. Raxesh Chandravandan Satia	Member	Non-Executive -Independent Director
Mr. Sagar Samir Shah	Member	Executive Director

Our Company Secretary, Ms. Hena Shah is the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of section 178 (5) of the Companies Act, 2013 and its terms of reference include the following:

1. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares;
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Allotment of shares, monitoring and approving transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
7. Carrying out any other function contained in the SEBI (LODR) Regulations as and when amended from time to time.

### Quorum and Meetings

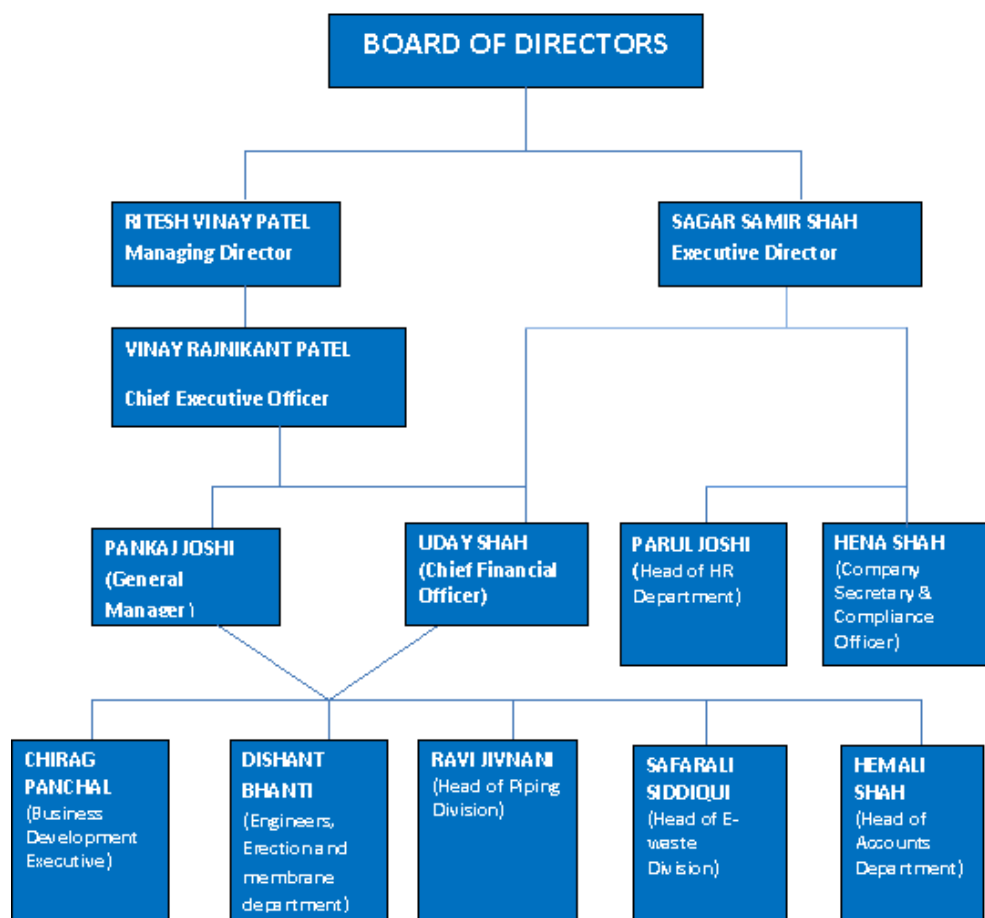
The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Company Secretary of our Company acts as the Secretary to the Committee.

### Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchanges. Our Company Secretary, Ms. Hena Shah, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.



### Organizational Structure of The Company



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Name	Designation	Age	Qual.	Exp. In Yrs	Date Of Joining	Functional Responsibility	Current CTC (Rs. In Lakhs)	Previously Employed
Mr. Ritesh Vinay Patel	Managing Director	29 yrs	Chemical Engineer	8	18/09/2012	Handles the overall business including business development, project implementation, Liason marketing and public relations.	30.00	-
Mr. Sagar Samir Shah	Executive Director	25 yrs	M.Sc. in Sustainable Waste Management	4	30/08/2016	Drives the company through capabilities of effective coordination, management and implementation, finance management, strategic planning, business leadership with a passion for improvement and establishment of a waste and environment Conservation Company.	30.00	-
Mr. Uday Chandulal Shah	CFO	60 yrs	B.SC	15	15/05/2017	Heads the financial department of the Company; plays a role in the business development of the projects, liasoning with brokers and government authority for plan approval and other related matters.	3.60	-
Mr. Vinay Rajnikant Patel	CEO	59 yrs	BE	34	15/05/2017	Heads the Business Operations Team where in he plays a vital role in overall business co-ordination, project implementation, process management, sourcing of material, development, co-ordination and implementation of news ideas, new business relationships and people flows within the entire organization.	6.00	-
Ms. Hena	Compliance	23	B.Com &	0.9	13/02/	In charge of secretarial &	2.16	Khandelwal

Name	Designation	Age	Qual.	Exp. In Yrs	Date Of Joining	Functional Responsibility	Current CTC (Rs. In Lakhs)	Previously Employed
Shah	officer & CS	yrs	C.S.		2017	Corporate Governance matters.		Devesh & Associates
Mr. Pankaj Joshi	General Manager	60 yrs	MBA	30	06/06/2017	Works under the MD and CEO. Takes care of the execution work and supervises the work projects. Manages quality assurance programmes. Oversees inventory, distribution of goods and facility layout.	6.00	-
Mrs. Parul Joshi	Head of HR Department	29 yrs	MLA, LLB	7	26/09/2016	Takes care of resource planning and recruiting, manages employee related issues and organizes all the Departments of the company.	3.00	Excel Filtration Pvt Ltd.
Mr. Chirag Panchal	Business Development Executive	24 yrs	Chemical Engineer	3	01/05/2017	He handles Marketing and Product launching	3.00	Deccan Sales and Service Pvt. Ltd.
Mr. Dishant Bhanti	Deputy Head	25 yrs	Chemical Engineer	5	01/10/2015	He handles Plant erection and commissioning, Product recovery and Process development.	6.00	Environment Cell & Centre for Environment Research
Mr. Ravi Jivnani	Head of Piping Division	25 yrs	PGDCA	5	01/02/2014	Is the head of piping division and takes care of the sales, purchases, payment and looks after all the co-ordination for piping division.	2.16	Ambuja Cements
Mr. Safar Liyakatal Siddiqui	Head of E-waste Division	30 yrs	Plastic Engineer	7	12/02/2013	Is the head of E-Waste division and takes care of the material procurement, segregation, purchase and selling of material. Looks after the proper management in the E-Waste.	3.00	E-Process House
Mrs. Hemali Shah	Head of Accounts Department	25 yrs	MBA-Finance	5	03/05/2015	Works under the CFO. Prepares and finalizes the books of account.	1.80	Fluid Tech Systems

**Notes:**

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- Except for Mr. Vinay Rajnikant Patel being the father of Mr. Ritesh Vinay Patel, none of the other Key Managerial Personnel are “related” to each other or to the Promoters or Directors of our Company as defined under the Companies Act, 2013.

***Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel***

Our Company does not have any bonus and/ or profit sharing plan for the Key Managerial Personnel. However, Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

***Contingent and Deferred Compensation payable to Key Managerial Personnel***

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

***Shareholding of the Key Managerial Personnel other than the Directors***

As on date of filing of this Draft Prospectus, except the following, none of our KMP holds any Equity Shares of our Company:

Sr. No.	Name of the Directors	Designation	No. of Shares held in our Company	% of pre-issue paid-up Equity Share Capital
1.	Mr. Ritesh Vinay Patel	Managing Director	17,38,000	46.68
2.	Mr. Sagar Samir Shah	Executive Director	18,98,000	50.95
2.	Mr. Uday Chandulal Shah	CFO	-	-
3.	Mr. Vinay Rajnikant Patel	CEO	1,000	0.02
4.	Ms. Hena Shah	Compliance officer & Company Secretary	-	-
5.	Mr. Pankaj Joshi	General Manager	-	-
6.	Mrs. Parul Joshi	Head of HR Department	-	-
7.	Mr. Chirag Panchal	Business Development Executive	-	-
8.	Mr. Dishant Bhanti	Deputy Head	-	-
9.	Mr. Ravi Jivnani	Head of Piping Division	-	-
10.	Mr. Safar Liyakatal Siddiqui	Head of E-waste Division	-	-
11.	Mrs. Hemali Shah	Head of Accounts Department	-	-
	<b>Totoal</b>		<b>36,37,000</b>	<b>97.65</b>

***Interest of Key Managerial Personnel***

None of our key managerial personnel has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Our key managerial personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

None of our key managerial personnel has been paid any consideration of any nature, other than their remuneration.

However, the following relates to the interest of Director in the Property:

Name of the seller/Lessor	Location	Area (Sq. Feet)	Purpose	Purchase/On Rent	Consideration (In Rs.)
Ritesh Vinay Patel	208, Devshruti Complex, Opp. Medisurge hospital, Nr. Mithakali Crossroads, Ellisbridge, Ahmedabad-380006	1,370	Registered Office	Rent free	Not Applicable

***Changes in Key Managerial Personnel during the last three years***

Following have been the changes in the Key Managerial Personnel during the last three years:

Name	Designation	Date Of Appointment	Date Of Cessation	Remarks
Mr. Ritesh Vinay Patel	Managing Director	01/04/2017	-	Reappointment
Mr. Sagar Samir Shah	Executive Director	01/04/2017	-	Change in Designation
	Director	30/08/2016	-	Fresh Appointment
Mr. Uday Chandulal Shah	Chief Financial Officer	15/05/2017	-	Fresh Appointment
Mr. Vinay Rajnikant Patel	Chief Executive Officer	15/05/2017	-	Fresh Appointment
Ms. Hena Shah	Compliance officer & Company Secretary	13/02/2017	-	Fresh Appointment
Mr. Pankaj Joshi	General Manager	06/06/2017	-	Fresh Appointment
Mr. Aditya Singh	Operations head	01/04/2011	05/06/2017	Resigned due to personal reasons
Mrs. Parul Joshi	Head of HR Department	26/09/2016	-	Fresh Appointment
Mr. Chirag Panchal	Business	01/05/2017	-	Fresh

Name	Designation	Date Of Appointment	Date Of Cessation	Remarks
	Development Executive			Appointment
Mr. Dishant Bhanti	Deputy Head	01/10/2015	-	Fresh Appointment
Mr. Piyush Khanke	Business Development Executive	01/04/2014	05/06/2017	Resigned due to personal reasons
Mrs. Hemali Shah	Head of Accounts Department	03/05/2015	-	Fresh Appointment

### ***Scheme of Employee Stock Options or Employee Stock Purchase (ESOP/ESPS SCHEME)***

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

### ***Employees***

As on the date of this Draft Prospectus, our Company has 28 employees including the Managing Director. For details of the Employees/ Manpower of our Company, please refer to the paragraph titled 'Manpower' under the chapter titled '**Business Overview**' beginning on page no.137 of this Draft Prospectus.

### ***Loans to Key Managerial Personnel***

There are no loans outstanding against the Key Managerial Personnel as on the date of this Draft Prospectus.

### ***Payment of Benefits to officers of our Company (non-salary related)***

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Prospectus.

### ***Retirement Benefits***

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.


### ***Arrangements and Understanding with Major Shareholders***

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

## OUR PROMOTERS

The Promoters of our Company are:

**1) MR. RITESH VINAY PATEL;**

	<b>Pan</b>	AMYPP8155F
	<b>Passport Number</b>	J2336273
	<b>Nationality</b>	Indian
	<b>Bank A/C Details</b>	Bank of Baroda; A/C No.: 29760100020161
	<b>Address</b>	17, Satellite Society, Opp.Sundervan, Satellite Road Ahmedabad- 380015, Gujarat, India
	<b>Other Details</b> - E.C. Voter Id No.; - Driving License Number	 - LPZ4083515 - GJ0120050118560

**Brief Profile**

Mr. Ritesh Vinay Patel, the Managing Director of the Company, graduated with Bachelor of Engineering (Chemical) degree from University of Pune. He is a passionate chemical engineer with a heart for water as a resource. Having extensive experience in both fundamental and applied chemistry with a focus on treatment of water and waste water for environmental conservation. His vision is to leverage technical knowledge for treatment of large scale, complex industrial effluents and preservation of water systems in India. Over 8 years in leading and directing engineering of water, waste water and solid waste energy recovery projects by implementation of technologies and techniques to deliver at source treatment and recovery that optimizes use of assets and resources with balance consideration of competing drivers of the industry. Facing diverse situational challenges during the period of both ineffective legislations and less awareness for conservation of water, he has successfully led the establishment of a waste water engineering company providing complete innovative, efficient, cost effective solutions that span the entire water industry from treatment to recycling , recovery and desalinization.

Engineered with wide experience in development of integrated systems with different membranes, modules and processes such as micro filtration, ultra filtration, nano filtration, reverse osmosis, evaporation and other aerobic anaerobic and biological processes has sphere headed major projects around medium to large scale industries in India with a business model to link our people's skill to the clients need bringing ideas to life by designing, building and maintaining water/ waste water treatment systems that are custom made to meet the regulatory norms , while catering the clients individual needs.

He is currently leading and rapidly developing the company's water / waste water operations backed by solid foundations of expertise in advanced techniques globally and constantly building on the company's core strength of staying up to the mark with any and all technical developments innovative implementations and cost effective solutions in the water industry to raise Indian standards of commercial waste water industry.

During the years he has been constantly working on improving technical and engineering competencies by achieving a strong technical collaboration with GEA Engineering PC, a globally renowned and leading engineering firm with 100 plus patented technologies and successful manufacturing of waste water treatment plants serving diverse applications to promote resource recovery and availability of water for recycling and reuse. Further over the period he has gradually developed skills required for an independent solution provider




for water/ waste water. Under his direction and monitoring the company currently holds in- house capabilities for designing, erecting, assembling and maintaining diverse types of primary, secondary and tertiary treatment plants along with recycling system. Moreover this has also aided the company to develop a advisory service in offering the right knowledge and guidance that is technically sound and implementable for people throughout the industry.

Lastly he is also actively associated in intense research and development for exploring newer potential solutions through high applicability and cost effective products and systems in the field of Nano synthesis, energy efficient treatment solutions and synthetic organic chemicals. One such milestone is Research and Development collaboration with Indian Institute of Technology (IIT).

For further details relating to Mr. Ritesh Vinay Patel, including terms of appointment as Managing Director and other directorships, please refer to the chapter titled '*Our Management*' on page no.181 of this Draft Prospectus.

## 2. MR. SAGAR SAMIR SHAH

	<b>Pan</b>	CKLPS2759H
	<b>Passport Number</b>	Z3519468
	<b>Nationality</b>	Indian
	<b>Bank A/C Details</b>	Bank of Baroda; A/C No.: 29760100022849
	<b>Address</b>	2-3, Suyog Bungalows, Prahlad Nagar Garden Ahmedabad -380051, Gujarat, India
	<b>Other Details</b> - E.C. Voter Id No.; - Driving License Number	- ZCU2899961; - GJ0120090290424

### Brief Profile

Mr. Sagar Samir Shah, Executive Director designated as the Whole-Time Director of the Company, graduated with a Master's of Science in Sustainable Waste Management from University of Central Lancashire, United Kingdom. He is currently a key figure in management and strategic expansion of company through his dedication and commitment resulting in growth of company operations and presence, overseeing important collaborations, strong industry networking, client relations and adding on to the business cycles.

With over 4 years of experience of value adding in the waste, recycling, compliance, high value equipment manufacturing for environmental sectors. He as an individual with a thirst of progress and delivering sustainable solution to industry and public which is underpinned with a solid foundation of educational experience and strategic business ability. Developed from being a specialist in technical field arraying from research works at Centre for Waste Management (UCLAN) and Birla Institute of Scientific Research, Jaipur to field operations at Ahmedabad Municipal Corporation (AMC) and experiencing commercial strategies of waste and environmental industry at NEPRA Waste Management Company to finally being a business leader with personal integrity far reaching vision and wider responsibilities as a Director/ Promoter at FELIX.

Acquiring capabilities of effective coordination, management and implementation finance management and strategic planning through diverse performances and roles throughout the value chain has enabled him to utilize the experiences to lead, motivate and guide people to transform knowledge into a measurable value added performance for the business environment.

He being the Executive Director of the Company is par heading the role to design, set up and run services and businesses that are commercially successful and yields environmental benefits. Working on evaluating a market (Waste and Environment), than defining the strategy for business to capture better service standards, higher market share and progressive growth to create a continuous improvement culture. The idea is to understand the drivers and requirements within the sector and the industry to gather information that enables the company to analyze many areas for potential business and brand creation in this era of sustainable Industries supporting the resource and environment conservation.

He represents the company at trade organizations meetings and professional bodies in development and presentation of companies' corporate affairs and presentation of companies' corporate affairs and benchmarking quality systems and associated performances to prospective plans, providing direction and operational management to retain strength and resolving issues through the organization.

He thus aims to be a result oriented business leader with experience and a desire to learning and better positioning the company's objectives, services , vision and reliability across all stakeholders and multi-disciplined organization aiding , using or promoting waste and environmental activities. He has practical experience in waste management issues around waste generation, composition , analysis, collection means, treatment methods, disposal routes and professional guidance on recent advancements in terms of technology and distinct waste management approach like the Circular Economy and other legislative studies of waste and environment related regulations, Handling project planning, implementation and monitoring the working of the projects for local clients with other core management team.

For further details relating to Mr. Sagar Samir Shah, including terms of appointment as Executive Director and other directorships, please refer to the chapter titled '*Our Management*' on page no. 181 of this Draft Prospectus.

### ***Other Declaration and Confirmations***

Our Company hereby confirms that the personal details of our Individual Promoter viz., Permanent Account Number, Passport Number and Bank Account Number have been submitted to NSE, at the time of filing this Draft Prospectus with them.

Our Promoters and Promoter Group Companies 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 authorities. None of our Promoters was or also is 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.

Further, our Promoters have not been identified as a willful defaulter by RBI or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

### ***Payment or Benefit to Promoters of Our Company***

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Draft Prospectus or is intended to be given by us except mentioned / referred to in this Chapter and in page no. 240 under Related Party Transactions, under the Chapter "*Financial Information of our company*" of the Draft Prospectus.

### ***Common Pursuits Of Our Promoters***

Our Promoters have promoted our Group entities i.e.1) Felix Colourant Private Limited.; 2) Felix Nano Synthesis Private Limited, being company, established with different objective. For details please refer to chapter titled ***“Our Promoters Group Companies”*** on page no. 203 of this Draft Prospectus.

Immediate relatives of our Promoters have also promoted our Group entities i.e. 1) Swetsam Stock Holding Private Limited; being company, established with different objective.

Further, our promoters have established the following Limited Liability Partnership- 1) Seltron Resource solutions LLP having objective to carry on the business of Chemical manufacturers.

Further, our promoters have established the following Sole proprietor firm- 1) Felix Industries having similar objective to carry on the water waste water treatment business of our Company.

However, as on the date of this Draft Prospectus, our Company has not signed any non-compete or any other agreement / document with any of above mentioned entities.

However, we cannot assure that the said entities will resume their operations nor we can assure that our Promoters who have common interest in such other entities will not favor the interests of the said entities over our interest which may adversely affect our business operations. For details of our Promoter Group and Group Company/entities, please refer to Section titled ***“Our Promoter Group and Group Companies / Entities”*** on page no.203 and page no. 240 under Related Party Transactions, under the Chapter ***“Financial Information of our company”*** of this Draft Prospectus.

### **INTEREST OF PROMOTERS**

#### ***Interest in promotion of Our Company***

Our Promoters jointly hold 36,36,000 Equity Shares aggregating to 97.63 % of pre-issue Equity Share Capital in our Company and they are interested to the extent that they have promoted our Company and to the extent of their shareholding in our Company & dividend payable thereon, if any. The Promoters of our Company Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah are also the Managing Director and Executive Director, respectively of our Company who may be deemed to be interested to the extent of remuneration, as per the terms of his appointment and reimbursement of expenses payable to them or sitting fees paid to them. Our Promoters may be interested to the extent of unsecured loans granted to our Company. Further our Promoters may also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners. Further they may be deemed to be interested to the extent of transactions carried on / payment made by our Company to the proprietorship firm / partnership firm / companies in which they are Proprietor/ Partner / Promoter and/or Directors. For further details, please refer to section titled ***“Related Party Transactions”*** on page no. 240 and ***“Interest of Directors”*** on page no. 185 of this Draft Prospectus.

#### ***Interest in the property of Our Company***

Except as disclosed in the chapters titled ***“Business overview”***, ***“Interest of Directors”*** and ***“Restated Financial Statements – Related Party Transactions”*** on page no. 137, 186 and 240 respectively of this Draft Prospectus, our Promoters do not have any interest in any property acquired two years prior to the date of this Draft Prospectus. Further, our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

***Interest as a creditor of Our Company***

Except as stated in the ‘***Annexure XXX: Statement of Related Parties’ Transactions***’ beginning on page no.240, our Company has not availed any loans from the Promoters of our Company as on the date of this Draft Prospectus.

***Interest as Director of our Company***

Except as stated in ‘***Annexure XXX: Statement of Related Parties’ Transactions***’ beginning on page no. 240 of this Draft Prospectus, our Promoters/ Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

***Interest in transactions involving acquisition of land***

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

**Other Ventures of our Promoters**

Except as disclosed in the chapter titled ‘***Promoters and Group Companies***’ beginning on page no. 198 of this Draft Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

**Payment or benefit to Promoters**

For details of payments or benefits paid to our Promoters, please refer to the paragraph “***Compensation of our Managing Director***” in the chapter titled ‘***Our Management***’ beginning on page no.181 of this Draft Prospectus and as disclosed under ‘***Annexure XXX: Statement of Related Parties’ Transactions***’ on page no.240 of the chapter titled “***Restated Financial Statement***” beginning on page no. 213 of this Draft Prospectus, there has been no payment or benefit to Promoters of our Company.

**Related Party Transactions**

For details of related party transactions entered into by our Company, please refer to ‘***Annexure XXX: Statement of Related Parties’ Transactions***’ on page no. 240 of the chapter titled ‘***Financial Information***’ beginning on page no.213 of this Draft Prospectus.

**Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “***Outstanding Litigations***” beginning on page no. 258 of this Draft Prospectus.

## OUR PROMOTER GROUP AND GROUP COMPANIES / ENTITIES

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

### 1. Natural Persons who are part of the Promoter Group

As per Regulation 2(zb)(ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Ritesh Vinay Patel	Mr. Sagar Samir Shah
Father	Mr. Vinay Patel	Mr. Samir Shah
Mother	Mrs. Mayuri Patel	Mrs. Shweta Samir Shah
Spouse	Mrs. Charmi Ramani	-
Brother	-	-
Sister	Mrs. Rishita Shah	Ms. Viraj Shah Ms. Amoli Shah
Son	-	-
Daughter-in-Law	-	-
Daughter	-	-
Son-in-Law	-	-
Sister-in-law	-	-
Brother-in-law	Mr. Naitik Shah	-

### 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any Body corporate in which ten percent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	1) M/s Felix Colourant Private Limited; 2) M/s Felix Nano Synthesis Private Limited; and 3) M/s Swetsam Stock Holding Private Limited;
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital.	None
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	1) M/s Seltron Resource solutions LLP(Limited Liability Partnership) 2) M/s Felix Industries

## OUR GROUP COMPANIES / ENTITIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purposes of identification of “Group Companies” Our company has considered companies covered under the applicable Accounting Standard i.e. Accounting Standard 18 issued by Institute of Chartered Accountant of India and such other companies as considered material by the Board. Pursuant to Resolution dated June 27, 2017 our board vide a policy of materiality has resolved that except as mentioned in related parties prepared in accordance with Accounting Standard 18 no Firm as mentioned below is material in nature.

### Other entities forming part of Promoter Group:

- 1) M/s Seltron Resource solutions LLP (Limited Liability Partnership)
- 2) M/s Felix Industries (Sole Proprietor)

The following companies, are promoted by our Promoters (including companies under the same management pursuant to Section 370 (1B) of the Companies Act) and thus, are our Group Companies as defined under Schedule VIII of the SEBI ICDR Regulations:

- 1) M/s Felix Colourant Private Limited;
- 2) M/s Felix Nano Synthesis Private Limited; and
- 3) M/s Swetsam Stock Holding Private Limited;

No equity shares of our above mentioned Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

### Details of Group Companies

#### 1. FELIX COLOURANT PRIVATE LIMITED

(Earlier known as Bearth Environmental Solutions Private Limited)

<b>Pan Card No.</b>	:AAGCB8657B
<b>CIN</b>	:U37100GJ2016PTC093005
<b>Date of Incorporation</b>	: July 19, 2016
<b>Registered Office Address</b>	: 208, 2nd floor, Iscon center, Nr. Shivranjani Char RastaSatellite, Ahmedabad-380015, Gujarat, India
<b>Name of the Promoters</b>	: Mr. Ritesh Vinay Patel; Mr. Sagar Samir Shah; Mr. Niraj Shah; Mr. Swapnil Dathia

### Main Objects of the Company

The main objects of the Company to be pursued by the Company on its incorporation:

To carry on business as chemical engineers, analytical chemists, importers, exporters, manufacturers of and dealers in heavy chemicals, acid alkalies, petro chemicals, chemical compounds and chemicals of all kinds (solid, liquid and gaseous ), Organic Pigments, Pthalocynane Pigments, Inorganic Chemicals and Salts, Water and Solvent based Adhesives ,drugs, medicines, pharmaceuticals, antibiotics, tannins, tannin extracts, essences, solvents, plastics of all types, dye and dye intermediates, textile auxillaries, cellophanes, colour dyes, paints, varnishes, vat and other organic dyestuff, chemical auxillaries, disinfectants, insecticides, fungicides,

deodorants, bio-chemicals and pharmaceuticals, medicinal, sizing, bleaching, photographic and other preparation and articles.

### Interest of our Promoters

Our Promoter, Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah holds 3,35,000 equity shares constituting 67 % of the issued and paid up share capital of Felix Colourant Private Limited. The authorized and paid up share capital of the company is Rs. 50 Lakhs divided into 5 Lakh equity shares of Rs. 10.00 per equity share.

### Board of Directors of the Company

Sr. No.	Name of the Directors	Age	DIN No.	Pan Card No.	Address
1.	Mr. Ritesh Vinay Patel	29 yrs	05350896	AMYPP8155F	17, Satellite Society Opp. Sundervan, Satellite Road Ahmedabad-380015, Gujarat
2.	Mr. Sagar Samir Shah	26 yrs	03082957	CKLPS2759H	2-3, Suyog Bungalows, Prahlad Nagar Garden Ahmedabad-380051, Gujarat
3.	Mr. Niraj Shah	47 yrs	00071910	AMXPS7824F	17, Shivalik Florette, Opp Khodiyar Mandir Ambli Gam, Bopal, Ahmedabad-380058, Gujarat
4.	Mr. Swapnil Dathia	37 yrs	00188382	AHFPD2118N	E/302, Sharanam-4, Behind Seema Hall, Off 100 Ft Road, Satellite, Ahmedabad-380015, Gujarat

### Share Capital History of the Company

Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature of / Reasons for Allotment
19-07-2016	5,00,000	5,00,000	10	10	Cash	50,00,000	Subscription to MOA

### Shareholding Pattern of the Company as on March 31, 2017

Sr. No.	Name of the Shareholder	No. of Shares Held	% of Holding
1.	Ritesh Vinay Patel	2,55,000	51
2.	Sagar Samir Shah	80,000	16
3.	Niraj Shah	85,000	17
4.	Swapnil Dathia	80,000	16
	<b>Total</b>	<b>5,00,000</b>	<b>100.00</b>



**Brief Provisional Financials****(Amt.In Rs.)**

Particulars	2016 – 17 <sup>#</sup>	2015 - 16*	2014 - 15*
Equity Capital	50,00,000	-	-
Reserves (excluding revaluation reserve) and Surplus	(30,265)	-	-
Net Worth	49,69,735	-	-
Income including other income	0	-	-
Profit/ (Loss) after tax	(30265)	-	-
Earnings per share (face value of Rs. 10 each)	(0.08)	-	-
Net asset value per share	(0.08)	-	-

\*Since the company is incorporated on 19<sup>th</sup> July 2016, the audited financials for Financial Year ending March 2016 and March 2015 are not available.

#Figures given by the Company are on Provisional basis which is certified by the company and the same has not been Audited as on the date of this Draft Prospectus.

**Changes in the Management and Control**

There has been no change in the management and control of Felix Colourant Private Limited in the three years preceding the date of this Draft Prospectus.

**Other Disclosures:**

- The name of the Company was changed from Bearth Environmental Solutions Private Limited to Felix Colourant Private Limited and a fresh Certificate of Incorporation dated February 27, 2017 was issued by Registrar of Companies, Ahmedabad, Gujarat.
- Felix Colourant Private Limited is not a listed Company.
- Felix Colourant Private Limited is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against Felix Colourant Private Limited.
- No application has been made to ROC for striking off the name of Felix Colourant Private Limited.
- Felix Colourant Private Limited is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

**2. FELIX NANO SYNTHESIS PRIVATE LIMITED**

<b>Pan Card No.</b>	:AACCF2215P
<b>CIN</b>	:U36900GJ2013PTC075723
<b>Date of Incorporation</b>	: June 24, 2013
<b>Registered Office Address</b>	: 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakhali Cross Roads, Ellisbridge Ahmedabad- 380006, Gujarat, India
<b>Name of the Promoters</b>	: Mr. Ritesh Vinay Patel; Mr. Sandeep P. Agrawal

**Main Objects of the Company**

The main objects of the Company to be pursued by the Company on its incorporation:

To manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, import, export, deal, research, create, explore, manipulate materials and develop materials which can have chemical, physical, and biological properties that differ from those of their larger counterparts in either as principal or agent in period table elements & used or capable of being used in the Chemical, Aerospace, Catalyst, Construction, Steel, Glass, Coatings, Fire Protection & Detection, Vehicle Manufacturing, Food, Optics, Textiles, Cosmetics, Agriculture, Sports & Entertainment Industry.

### Interest of our Promoters

Our Promoter, Mr. Ritesh Vinay Patel holds 5,000 equity shares constituting 50% of the issued and paid up share capital of Felix Nano Synthesis Private Limited. The authorized share capital of the company is Rs. 10 Lakhs divided into 1 Lakh equity shares of Rs. 10.00 per equity share and paid up share capital of the company is Rs. 1 Lakh divided into 10 Thousand equity shares of Rs. 10.00 per equity share.

### Board of Directors of the Company

Sr. No.	Name of the Directors	Age	DIN No.	Pan Card No.	Address
1.	Mr. Ritesh Vinay Patel	29 yrs	05350896	AMYPP8155F	17, Satellite Society Opp. Sundervan, Satellite Road Ahmedabad-380015, Gujarat
2.	Mr. Sandeep P. Agrawal	33 yrs	06364473	AFCPA5679J	5, Amrashirish Bungalows, Prahladnagar Vejalpur, Ahmedabad-380015, Gujarat

### Share Capital History of the Company

Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature of / Reasons for Allotment
24-06-2013	10,000	10,000	10	10	Cash	1,00,000	Subscription to MOA

### Shareholding Pattern of the Company as on March 31, 2016

Sr. No.	Name of the Shareholder	No. of Shares Held	% of Holding
1.	Ritesh Vinay Patel	5,000	50
2.	Sandeep P. Agrawal	5,000	50
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

**Brief Audited Financials****(Amt.In Rs.)**

Particulars	2016 – 17 <sup>#</sup>	2015 - 16	2014 - 15
Equity Capital	1,00,000	1,00,000	1,00,000
Reserves (excluding revaluation reserve) and Surplus	(98,588)	(81,746)	(47,654)
Net Worth	1412	18,254	52,346
Income including other income	0	0	0
Profit/ (Loss) after tax	(16,842)	(34,092)	(30,812)
Earnings per share (face value of Rs. 10 each)	(1.68)	(3.41)	(3.08)
Net asset value per share	0.14	1.82	5.23

*#Figures given by the Company are on Provisional basis which are certified by the Company and the same has not been Audited as on the date of this Draft Prospectus.*

**Changes in the Management and Control**

There has been no change in the management and control of Felix Nano Synthesis Private Limited in the three years preceding the date of this Draft Prospectus.

**Other Disclosures:**

- Felix Nano Synthesis Private Limited is not a listed Company.
- Felix Nano Synthesis Private Limited is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against Felix Nano Synthesis Private Limited.
- No application has been made to ROC for striking off the name of Felix Nano Synthesis Private Limited.
- Felix Nano Synthesis Private Limited is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- Felix Nano Synthesis Private Limited does not have a negative net-worth and has made a loss in the immediately preceding years.

**3. SWETSAM STOCK HOLDING PRIVATE LIMITED**

<b>Pan Card No.</b>	:AARCS7025H
<b>CIN</b>	:U67120GJ2012PTC070653
<b>Date of Incorporation</b>	: June 8, 2012
<b>Registered Office Address</b>	: 2, Suyog Bunglow, Vejalpur, Ahmedabad-380015, Gujarat, India
<b>Name of the Promoters</b>	: Mr. Samir R. Shah; Mrs. Shweta Samir Shah

**Main Objects of the Company**

The main objects of the Company to be pursued by the Company on its incorporation:

To carry on business of dealing in, buying, selling, take in and exchange the shares, securities, debentures, bonds, units and such other instruments whether listed on any of the exchanges or not; either for the purpose of holding the same as investments or for resale either singly or in syndicate with the other dealers and or investors an while being the holder or owner thereof exercise and enforce all the rights and powers and privileges conferred by or incidental to ownership or holding thereof.

### Interest of Immediate relatives of our Promoters

Mr. Samir Shah and Mrs. Shweta Samir Shah being immediate relatives of our Promoter named Mr. Sagar Samir Shah holds 2,50,000 equity shares constituting 100 % of the issued and paid up share capital of Swetsam Stock Holding Private Limited. The authorized and paid up share capital of the company is Rs. 25 Lakhs divided into 2.5 Lakh equity shares of Rs. 10.00 per equity share.

### Board of Directors of the Company

Sr. No.	Name of the Directors	Age	DIN No.	Pan Card No.	Address
1.	Mr. Samir R. Shah	50 years	05214387	AQCPS6044E	2, Suyog Bunglow, Vejalpur Ahmedabad-380051, Gujarat
2.	Mr. Viraj Samirbhai Shah	23 years	07889459	EVOPS9353B	2, Suyog Bunglow, Vejalpur Ahmedabad-380051, Gujarat

\* Mrs. Shweta Samir Shah, resigned as a Director of the Company with effect from July 24, 2017

### Share Capital History of the Company

Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature of / Reasons for Allotment
08-06-2012	10,000	10,000	10	10	Cash	1,00,000	Subscription to MOA
11-10-2012	2,40,000	2,50,000	10	10	Cash	25,00,000	Further Allotment

### Shareholding Pattern of the Company as on March 31, 2017

Sr. No.	Name of the Shareholder	No. of Shares Held	% of Holding
1.	Mr. Samir R. Shah	1,25,000	50
2.	Mrs. Shweta Samir Shah	1,25,000	50
	<b>Total</b>	<b>2,50,000</b>	<b>100.00</b>

### Brief Audited Financials

(Amt. In Rs.)

Particulars	2016 – 17	2015 - 16	2014 -15
Equity Capital	25,00,000	25,00,000	25,00,000
Reserves (excluding revaluation reserve) and Surplus	8,98,538	(59,40,357)	(59,34,160)
Net Worth	33,98,538	(34,40,357)	(34,34,160)
Income including other income	92,67,226	0	0
Profit/ (Loss) after tax	68,38,896	(6,197)	(16698.88)
Earnings per share (face value of Rs. 10 each)	27.36	(0.02)	0.34
Net asset value per share	13.59	(13.76)	(13.74)

### Changes in the Management and Control

Except, Mrs. Shweta Samir Shah who resigned as a Director of the Company with effect from July 24, 2017, there has been no other change in the management and control of Swetsam Stock Holding Private Limited in the three years preceding the date of this Draft Prospectus.

### Other Disclosures:

- Swetsam Stock Holding Private Limited is not a listed Company.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against Swetsam Stock Holding Private Limited.
- No application has been made to ROC for striking off the name of Swetsam Stock Holding Private Limited.
- Swetsam Stock Holding Private Limited is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- Swetsam Stock Holding Private Limited has a negative net-worth and has made a loss in the immediately preceding years.

### NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANIES IN OUR COMPANY

#### Common Pursuits/Conflict of Interest

None of our Promoter /Group Companies /Entities have any common pursuits. For details please refer to chapter titled “*Our Promoters Group Companies*” on page no. 203 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

For details relating to sales or purchases our Company and any of our Group entities, please refer to ‘*Annexure XXX: Statement of Related Parties’ Transactions*’ on page no. 240 of the chapter titled ‘*Restated Financial Statements*’ beginning on page no. 213 of this Draft Prospectus.

#### In the promotion of our Company

None of the Group Companies have any interest in the promotion of our Company.

#### Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years

Our Promoters have not disassociated themselves from any company in which they were promoters, in last three years.

Further, none of the Group Companies are defunct and no application has been made to the Registrar of Companies for striking off the name of any of the Group Companies during the five years preceding the date of this Draft Prospectus.

#### In the properties acquired by our Company

None of the Group Companies have any interest in the properties acquired by our Company within the three years of the date of filing this Draft Prospectus or proposed to be acquired by our Company.

**Sick Companies/ Winding up**

No Promoter Group Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985. There are no winding up proceedings against any of the Promoter Group Entities.

**Litigation**

For details relating to legal proceedings involving our Group Company/Entities, if any, please refer to the chapter titled '*Outstanding Litigations*' beginning on page no. 258 of this Draft Prospectus.

**Related business transactions within the Group Companies and its significance on the financial performance of Our Company**

For details, please see the chapter titled "*Financial Statements- Annexure XXX - Related Party Transactions*" on page no. 240 of this Draft Prospectus.

**Undertaking / confirmations**

None of our Promoters or Promoter Group or Group Companies/entities or person in control of our Company has been

- (i) Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- (ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies /entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

## DIVIDEND POLICY

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

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares. Our Company has not declared any dividends in last 5 fiscal years.



## SECTION VI – FINANCIAL INFORMATION OF THE COMPANY

## RESTATED FINANCIAL STATEMENTS

To,

**The Board of Directors,**

**Felix Industries Limited**

208, Devshruti Complex,

Opp. Medisurge Hospital,

Nr. Mithakhali Cross Road,

Ellisbridge,

Ahmedabad, Gujarat – 380006

Dear Sirs,

**Re.: Proposed Public Issue of Equity Shares of Felix Industries Limited**

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **Felix Industries Limited**, (hereinafter referred to as “**the Company**”) as at March 31, 2017, 2016, 2015, 2014 and 2013, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 (collectively referred to as the “**Restated Summary Statements**” or “**Restated Financial Statements**”) annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of NSE Limited (“**NSE**”).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 (“**the Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
3. The Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the year ended on March 31, 2017, 2016, 2015, 2014 and 2013 which have been approved by the Board of Directors.
4. In accordance with the requirements of the Act, ICDR Regulations and Guidance Note we report that:
  - (i) The “**Restated Statement of Asset and Liabilities**” as set out in **Annexure I** to this report, of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

- (ii) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - (iii) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.
5. Based on our examination and audited financial statements, we report that the Restated Financial Statements have been made after incorporating:
- a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.
  - f) There is no revaluation reserves, which needed to be disclosed separately in the Restated Financial Statements in the respective financial years.
6. For the purpose of our examination, we have relied on:
- a. Auditor’s report issued by us, dated May 30, 2017, on the financial statements of the Company as at March 31, 2017 and for the financial year ended March 31, 2017;
  - b. Auditor’s report issued by Shailesh & Co., Chartered Accountants dated September 1, 2016, on the financial statements of the Company as at March 31, 2016 and for the financial year ended March 31, 2016.
  - c. Auditor’s report issued by S.J. Pathak & Co., Chartered Accountants, dated September 5, 2015, September 5, 2014 and July 17, 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.

7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”).

**Annexure of Restated Financial Statements of the Company:-**

- i. Summary Statement of Assets and Liabilities, as restated as ANNEXURE I;
  - ii. Summary Statement of Profit and Loss, as restated as ANNEXURE II;
  - iii. Summary Statement of Cash Flow, as restated as ANNEXURE III;
  - iv. Significant Accounting Policies and Notes to Accounts in ANNEXURE IV;
  - v. Details of Share Capital as Restated as appearing in ANNEXURE V to this report;
  - vi. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
  - vii. Details of Long Term Borrowings as Restated as appearing in ANNEXURE VII to this report;
  - viii. Details of Deferred Tax Liabilities as Restated as appearing in ANNEXURE VIII to this report;
  - ix. Details of Short Term Borrowings as Restated as appearing in ANNEXURE IX to this report;
  - x. Details of Trade Payables as Restated as appearing in ANNEXURE X to this report;
  - xi. Details of Other Current Liabilities as Restated as appearing in ANNEXURE XI to this report;
  - xii. Details of Short Term Provisions as Restated as appearing in ANNEXURE XII to this report;
  - xiii. Details of Fixed Assets as Restated as appearing in ANNEXURE XIII to this report;
  - xiv. Details of Deferred Tax Assets as Restated as appearing in ANNEXURE XIV to this report;
  - xv. Details of Long Term Loans & Advances as Restated as appearing in ANNEXURE XV to this report;
  - xvi. Details of Other Non-Current Assets as Restated as appearing in ANNEXURE XVI to this report;
  - xvii. Details of Inventories as Restated as appearing in ANNEXURE XVII to this report;
  - xviii. Details of Trade Receivables as Restated as appearing in ANNEXURE XVIII to this report;
  - xix. Details of Cash and Cash Equivalents as Restated as appearing in ANNEXURE XIX to this report;
  - xx. Details of Short Term Loans & Advances as Restated as appearing in ANNEXURE XX to this report;
  - xxi. Details of Other Current Assets as Restated as appearing in ANNEXURE XXI to this report;
  - xxii. Details of Revenue from Operations as appearing in ANNEXURE XXII to this report;
  - xxiii. Details of Other Income as Restated as appearing in ANNEXURE XXIII to this report;
  - xxiv. Details of Purchase of Stock-in-Trade as Restated as appearing in ANNEXURE XXIV to this report;
  - xxv. Details of Changes in Inventories of Goods Traded as Restated as appearing in ANNEXURE XXV to this report;
  - xxvi. Details of Employee Benefit Expenses as Restated as appearing in ANNEXURE XXVI to this report;
  - xxvii. Details of Finance Costs as Restated as appearing in ANNEXURE XXVII to this report;
  - xxviii. Details of Depreciation and Amortization as Restated as appearing in ANNEXURE XXVIII to this report;
  - xxix. Details of Other Expenses as Restated as appearing in ANNEXURE XXIX to this report;
  - xxx. Details of Related Parties Transactions as Restated as appearing in ANNEXURE XXX to this report;
  - xxxi. Details of Significant Accounting Ratios as Restated as appearing in ANNEXURE XXXI to this report;
  - xxxii. Capitalization Statement as Restated as at March 31, 2017 as appearing in ANNEXURE XXXII to this report;
  - xxxiii. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXXIII to this report;
8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. In our opinion, the above financial information contained in Annexure I to XXIII of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations and Guidance Note.
11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For S. N. Shah & Associates**  
**Chartered Accountants**  
**Firm Registration No.:109782W**

**CA Firoj G. Bodla**  
**Partner**  
**Membership No. 126770**

**Place: Ahmedabad**  
**Date: June 20, 2017**

## ANNEXURE I

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. In lakhs)

Particulars	Annexure	As at March 31,				
		2017	2016	2015	2014	2013
<b>EQUITY AND LIABILITIES</b>						
<b><u>Shareholders' Funds</u></b>						
a. Share Capital	V	372.50	25.00	25.00	1.00	1.00
b. Reserves & Surplus	VI	18.87	19.16	8.15	3.99	(1.04)
<b><u>Non Current Liabilities</u></b>						
a. Long Term Borrowings	VII	7.86	53.18	-	-	-
b. Deferred Tax Liabilities	VIII	-	-	-	0.11	-
<b><u>Current Liabilities</u></b>						
a. Short Term Borrowings	IX	101.08	111.11	131.45	63.41	2.43
b. Trade Payables	X	98.36	89.91	52.04	166.97	-
c. Other Current Liabilities	XI	14.91	34.56	3.88	3.90	-
d. Short Term Provisions	XII	9.03	18.36	6.75	4.04	0.21
<b>TOTAL</b>		<b>622.60</b>	<b>351.27</b>	<b>227.27</b>	<b>243.43</b>	<b>2.60</b>
<b>ASSETS</b>						
<b><u>Non Current Assets</u></b>						
a. Fixed Assets	XIII					
i. Tangible Assets		106.01	33.63	15.16	7.65	-
Less: Accumulated Depreciation		(17.74)	(14.76)	(6.21)	(1.11)	-
ii. Intangible Assets (Net)		-	1.00	1.00	-	-
iii Capital Work in Progress		-	-	-	-	-
<b>Net Block</b>		<b>88.27</b>	<b>19.87</b>	<b>9.94</b>	<b>6.54</b>	<b>-</b>
b. Deferred Tax Assets (Net)	XIV	0.88	1.08	0.18	-	-
c. Long Term Loans & Advances	XV	0.40	0.40	-	-	-
d. Other Non Current Assets	XVI	5.68	0.22	0.26	0.30	0.34
<b><u>Current Assets</u></b>						
a. Inventories	XVII	93.77	60.80	33.77	48.42	-
b. Trade Receivables	XVIII	383.36	248.85	102.01	149.81	-
c. Cash and Cash Equivalents	XIX	18.69	4.09	22.36	0.98	0.20
d. Short Term Loans & Advances	XX	31.54	14.02	57.70	37.38	2.06
e. Other Current Assets	XXI	-	1.95	1.05	-	-
<b>TOTAL</b>		<b>622.60</b>	<b>351.27</b>	<b>227.27</b>	<b>243.43</b>	<b>2.60</b>

## ANNEXURE II

## STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. In lakhs)

Particulars	Annexure	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>INCOME</b>						
Revenue from Operations	XXII	517.26	315.13	290.43	412.66	-
Other Income	XXIII	1.82	13.40	1.62	0.15	-
<b>Total Income (A)</b>		<b>519.07</b>	<b>328.52</b>	<b>292.05</b>	<b>412.81</b>	<b>-</b>
<b>EXPENDITURE</b>						
Purchase of Stock-in-Trade	XXIV	389.45	221.82	148.80	321.01	-
Changes in inventories of Goods Traded	XXV	(32.98)	(27.02)	14.64	(48.42)	-
Employee benefit expenses	XXVI	64.22	40.10	37.83	23.78	-
Finance costs	XXVII	17.75	20.11	12.59	3.03	-
Depreciation and amortisation expense	XXVIII	2.98	8.54	5.10	1.11	-
Other Expenses	XXIX	51.76	42.38	67.04	105.40	1.04
<b>Total Expenses (B)</b>		<b>493.18</b>	<b>305.93</b>	<b>286.01</b>	<b>405.92</b>	<b>1.04</b>
<b>Profit before exceptional items and tax (C)</b>						
Exceptional Items		-	4.14	-	-	-
<b>Profit before tax (D)</b>		<b>25.89</b>	<b>18.45</b>	<b>6.04</b>	<b>6.89</b>	<b>(1.04)</b>
<i>Tax expense :</i>						
(i) Current tax		8.48	8.35	2.16	1.75	-
(ii) Deferred tax		0.21	(0.91)	(0.29)	0.11	-
<b>Total Tax Expense (E)</b>		<b>8.69</b>	<b>7.44</b>	<b>1.87</b>	<b>1.86</b>	<b>-</b>
<b>Profit for the year (D-E)</b>		<b>17.20</b>	<b>11.01</b>	<b>4.17</b>	<b>5.03</b>	<b>(1.04)</b>

## ANNEXURE III

## STATEMENT OF CASH FLOW AS RESTATED

(Rs. In lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
<b><u>Cash flow from operating activities:</u></b>					
Net Profit before tax as per Profit And Loss A/c	<b>25.89</b>	<b>18.45</b>	<b>6.04</b>	<b>6.89</b>	<b>(1.04)</b>
Adjusted for:					
Preliminary Expenses w/off	1.41	0.04	0.04	0.04	0.04
Fixed Assets Written off	0.01	-	-	-	-
Depreciation & Amortisation	2.98	8.55	5.10	1.11	-
Interest & Finance Cost	17.75	18.85	12.59	3.03	-
Interest income	-	(0.52)	(0.17)	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>48.04</b>	<b>45.36</b>	<b>23.59</b>	<b>11.07</b>	<b>(1.00)</b>
Adjusted for (Increase)/ Decrease:					
Trade Receivables	(134.51)	(146.83)	47.80	(149.81)	-
Inventories	(32.98)	(27.02)	14.64	(48.42)	-
Short Term Loans and Advances	(14.38)	44.21	(21.16)	(35.32)	(2.06)
Trade payables	8.45	37.86	(114.93)	166.97	-
Current Liabilities	(19.65)	42.28	0.52	5.98	0.21
Other Non Current Assets	-	-	-	-	-
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(162.68)</b>	<b>(5.96)</b>	<b>(50.58)</b>	<b>(49.53)</b>	<b>(2.85)</b>
Add:- Extra-Ordinary Items	-	-	-	-	-
<b>Cash Generated From Operations</b>	<b>(162.68)</b>	<b>(5.96)</b>	<b>(50.58)</b>	<b>(49.53)</b>	<b>(2.85)</b>
Direct Tax Paid	(1.35)	(8.35)	(3.32)	-	-
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(164.03)</b>	<b>(14.31)</b>	<b>(53.90)</b>	<b>(49.53)</b>	<b>(2.85)</b>
<b><u>Cash Flow From Investing Activities:</u></b>					
Purchase of Fixed Assets	(72.39)	(18.47)	(8.50)	(7.65)	-
Sale of Fixed Asset/Reversal of Fixed Assets	1.00	-	-	-	-
Interest Income	-	0.52	0.17	-	-
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(71.39)</b>	<b>(17.95)</b>	<b>(8.33)</b>	<b>(7.65)</b>	<b>-</b>
<b><u>Cash Flow from Financing Activities:</u></b>					
Proceeds From Share Capital	330.00	-	24.00	-	1.00
Preliminary Expenses/Share Capital Raising Expenses	(6.88)	-	-	-	(0.37)



Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Increase/(Decrease) Long Term Borrowing	(45.32)	53.18	-	-	-
Increase/ (Decrease) in Short Term Borrowing	(10.03)	(20.34)	72.20	60.99	2.43
Interest & Financial Charges	(17.75)	(18.85)	(12.59)	(3.03)	-
<b>Net Cash Flow from/(used in) Financing Activities ( C )</b>	<b>250.02</b>	<b>13.99</b>	<b>83.61</b>	<b>57.96</b>	<b>3.06</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>14.61</b>	<b>(18.27)</b>	<b>21.37</b>	<b>0.78</b>	<b>0.20</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>4.09</b>	<b>22.36</b>	<b>0.98</b>	<b>0.20</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>18.69</b>	<b>4.09</b>	<b>22.36</b>	<b>0.98</b>	<b>0.20</b>

#### ANNEXURE – IV

#### RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

##### A. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at, March 31, 2017, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and loss and cash flows for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the years ended on March 31, 2017, 2016, 2015, 2014 and 2013, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). The Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of NSE in connection with its proposed Initial Public Offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

##### 2. Accounting Conventions:

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 except in case of leave salary, gratuity & other retirement employee benefits including statutory if any applicable and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

##### 3. 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

#### **4. Fixed Assets:**

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 and directly attributable cost of bringing the assets to their working conditions for their intended use. 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.

#### **5. Depreciation:**

##### **In respect of Financial Years 2015-16 & 2016-17**

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

##### **In respect of Financial Years 2014-15**

Depreciation of Fixed Assets is provided on original cost of the asset on written down value method and in the manner prescribed in Schedule II of the Companies Act, 2013.

##### **In respect of Financial Years 2013-14**

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

##### **In respect of Financial Years 2012-13**

The company had no fixed assets during the financial year.

#### **6. Inventories:**

The inventories of Trading Goods have been valued at cost or net realizable value whichever is lower. The Costs in respect of all items of inventories have been computed on FIFO basis. The cost of inventories 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.

#### **7. 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. The revenue in respect of service contract is recognized based on order/contract with the parties.

**8. 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.

**9. Borrowing Costs:**

The borrowing costs incurred during the year have been debited to the Statement of Profit and Loss of the current year.

**10. Taxes on Income:**

Tax expense comprises of current tax and deferred tax. Provision for current tax is made on the estimated taxable income and at the rate applicable to the relevant assessment year under the Income tax Act, 1961. Deferred income taxes are recognized for future consequences attributable to timing differences between financial determination of income and determination as of income as per applicable tax laws.

**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. The bonus shares have been issued in the month of August-16 out of surplus balance of "Profit & Loss Account" as existing at the beginning of the year. The outstanding weighted average shares issued by way of bonus issue has been derived as if the bonus shares were issued at the beginning of the year i.e. earliest of the reporting date.

**B. NOTES TO ACCOUNTS ON RESTATED FINANCIAL STATEMENTS:****1. Reconciliation of Restated Profits:**

There is no change in the audited and the restated profits, hence reconciliation is not required.

**2. Material regroupings:**

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended 31 March 2017, prepared in accordance with Revised schedule VI to the Companies Act, 1956 or the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**3. Managerial Remuneration:****(Rs. In lakhs)**

Particulars	For the Year ended March, 31 2017	For the Year ended March, 31 2016	For the Year ended March, 31 2015	For the Year ended March, 31 2014	For the Year ended March, 31 2013
Mr. Ritesh V. Patel	7.20	7.20	9.60	3.87	-
Mr. Sagar S. Shah	4.80	-	-	-	-
Mr. Aditya Pratap Singh	-	-	1.69	3.65	-
<b>TOTAL</b>	<b>12.00</b>	<b>7.20</b>	<b>11.29</b>	<b>7.52</b>	<b>-</b>

**4. Auditors Remuneration include:****(Rs. In Lakhs)**

Particulars	For the Year ended March, 31 2017	For the Year ended March, 31 2016	For the Year ended March, 31 2015	For the Year ended March, 31 2014	For the Year ended March, 31 2013
For Statutory Audit	0.20	0.20	0.30	0.20	0.09
For Tax Audit	0.15	0.10	0.15	0.15	-
For Services related to Income Tax & Service Tax				0.10	0.10
Service Tax on Above Services	0.05	0.04	0.06	0.06	0.02
<b>TOTAL</b>					

**5. Deferred Tax Liability / (Assets):**

As required by Accounting Standard 22 on "Accounting for Taxes on Income", Deferred Tax comprises of the following items:

**(Rs. In Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
In respect of Depreciation	(2.83)	(3.50)	(0.57)	0.36	-
Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Net Deferred Tax Liability / (Asset)	(0.88)	(1.08)	(0.18)	0.11	-

6. The company has initiated the process of obtaining confirmations from the 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). However, the company is yet to receive confirmations from suppliers as to their as Micro, Small and Medium Enterprises and hence 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 determined or provided.

**7. Value of Imports Calculated on CIF Basis:**

(Rs. In Lakhs)

Particulars	For the Year Ended March 31,				
	2017	2016	2015	2014	2013
CIF Value of Imports	44.46	24.73	-	-	-
<b>TOTAL</b>	<b>44.46</b>	<b>24.73</b>	<b>-</b>	<b>-</b>	<b>-</b>

**8. Expenditure in Foreign Currency:**

(Rs. In Lakhs)

Particulars	For the Year Ended March 31,				
	2017	2016	2015	2014	2013
Consultancy Fees	7.04	5.41	3.79	8.07	-
<b>TOTAL</b>	<b>7.04</b>	<b>5.41</b>	<b>3.79</b>	<b>8.07</b>	<b>-</b>

**9. Earning in Foreign Currency:**

(Rs. In Lakhs)

Particulars	For the Year Ended March 31,				
	2017	2016	2015	2014	2013
Value of Exports on FOB Basis	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE - V**
**DETAILS OF SHARE CAPITAL AS RESTATED**
**(i) Details of Share Capital as Restated**
**(Rs. In lakhs, except No. of shares)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Equity Share Capital</u></b>					
<b>Authorised Share capital</b>					
<b>2012-13 &amp; 2013-14</b>					
1,00,000 Equity Shares of Rs. 10/- Each	-	-	-	10.00	10.00
<b>2014-15 &amp; 2015-16</b>					
2,50,000 Equity Shares of Rs. 10/- Each	-	25.00	25.00	-	-
<b>2016-17</b>					
52,00,000 Equity Shares of Rs. 10/- each	520.00				
<b>T O T A L</b>	<b>520.00</b>	<b>25.00</b>	<b>25.00</b>	<b>10.00</b>	<b>10.00</b>
<b><u>Issued, Subscribed and Paid Up Share Capital</u></b>					
<b>Issued and Subscribed Share Capital</b>					
<b>2012-13 &amp; 2013-14</b>					
10,000 Equity Shares of Rs. 10/- Each	-	-	-	1.00	1.00
<b>2014-15 &amp; 2015-16</b>					
2,50,000 Equity Shares of Rs. 10/- Each	-	25.00	25.00	-	-
<b>2016-17</b>					
37,25,000 Equity Shares of Rs. 10/- each	372.50	-	-	-	-
<b>T O T A L</b>	<b>372.50</b>	<b>25.00</b>	<b>25.00</b>	<b>1.00</b>	<b>1.00</b>

**(ii) Reconciliation of number of shares outstanding at the end of year**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><i>Equity Shares of Rs 10/- each</i></b>					
Equity shares at the beginning of the year	2,50,000	2,50,000	10,000	10,000	-
Add: Shares Allotted during the year	33,00,000	-	2,40,000	-	10,000
Add: Bonus Shares issued during the year	1,75,000	-	-	-	-
<b><i>Equity Shares at the end of the year</i></b>	<b>37,25,000</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>10,000</b>	<b>10,000</b>

**(iii) Details of shareholders holding more than 5% of the aggregate shares in the company**

(No. of shares in lakhs)

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013	
	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%
Ritesh V. Patel	17,38,000	46.66%	2,00,000	80.00%	2,00,000	80.00%	50,000	50.00%	50,000	50.00%
Mayuri V. Patel	85,000	2.28%	50,000	20.00%	50,000	20.00%	50,000	50.00%	50,000	50.00%
Sagar S. Shah	18,98,000	50.95%	-	-	-	-	-	-	-	-

**ANNEXURE – VI**  
**DETAILS OF RESERVES AND SURPLUS AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Surplus (Profit &amp; Loss Account)</u></b>					
Opening Balance	19.16	8.15	3.99	(1.04)	-
Add: Profit for the year	17.20	11.01	4.17	5.03	(1.04)
Less: Appropriation for Issue of Bonus Shares	(17.50)	-	-	-	-
<b>T O T A L</b>	<b>18.87</b>	<b>19.16</b>	<b>8.15</b>	<b>3.99</b>	<b>(1.04)</b>

**ANNEXURE - VII**  
**DETAILS OF LONG TERM BORROWINGS AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Secured</u></b>					
From Banks					
-Vehicle Loan-From ICICI Bank	7.86	10.38	-	-	-
(Secured By Hypothecation of Vehicles)					
<b><u>Unsecured</u></b>					
Loan from Directors, Relatives & Shareholders	-	37.26	-	-	-
Inter-corporate Deposits	-	5.53	-	-	-
<b>T O T A L</b>	<b>7.86</b>	<b>53.18</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE - VIII**  
**DETAILS OF DEFERRED TAX LIABILITIES AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening Balance	-	-	-	-	-
Add: Deferred Tax Liabilities	-	-	-	0.11	-
Less: Deferred Tax Assets	-	-	-	-	-
<b>T O T A L</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.11</b>	<b>-</b>



**ANNEXURE - IX**  
**DETAILS OF SHORT TERM BORROWINGS AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Secured</u></b>					
Cash Credit Loan from Bank of Baroda	100.35	111.09	100.71	45.25	-
<b><u>Unsecured</u></b>					
Loan from Directors, Relatives & Shareholders	0.19	-	25.20	18.11	2.43
Inter-corporate Deposits	0.53	-	5.53	-	-
HDFC Bank Credit Card	-	0.02	-	0.05	-
<b>TOTAL</b>	<b>101.08</b>	<b>111.11</b>	<b>131.45</b>	<b>63.41</b>	<b>2.43</b>

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS**

Nature of Security	Terms of Repayment	Guarantee
1. Secured by Hypothecation of stock and books debts of the company. 2. Secured By Mortgage of Office No. 208, Dev Shruti Complex, Opp. Medisurge Hospital, Near Mithakhali Cross Road, Ellisbridge, Ahmedabad	Working Capital is Repayable on Demand.	Outstanding balances of working capital secured by personal guarantees of the following— <b>Directors</b> 1. Mr. Ritesh V. Patel 2. Mr. Aditya Singh Others 1. Mrs. Mayuri V. Patel

**ANNEXURE - X**  
**DETAILS OF TRADE PAYABLES AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Unsecured, considered good</u></b>					
For Goods	60.72	32.16	14.55	132.59	-
For Expenses & Others	37.64	57.75	37.49	34.38	-
<b>TOTAL</b>	<b>98.36</b>	<b>89.91</b>	<b>52.04</b>	<b>166.97</b>	<b>-</b>

**Details of Trade Payables to Related Parties:**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Due to Directors, their relatives & Associates	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

**ANNEXURE - XI**
**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**
**(Rs. In lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Current maturities of long term debt</u></b>					
Vehicle Loan-From ICICI Bank	2.52	2.52	-	-	-
<b><u>Other payables</u></b>					
Statutory dues	1.11	5.65	3.88	3.90	-
Advances from Customers	11.27	26.39	-	-	-
<b>TOTAL</b>	<b>14.91</b>	<b>34.56</b>	<b>3.88</b>	<b>3.90</b>	<b>-</b>

**ANNEXURE – XII**
**DETAILS OF SHORT TERM PROVISIONS AS RESTATED**
**(Rs. In lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Provision for Income Tax	8.48	12.26	3.91	1.75	-
Provision for Expenses	0.55	6.09	2.84	2.29	0.21
<b>TOTAL</b>	<b>9.03</b>	<b>18.36</b>	<b>6.75</b>	<b>4.04</b>	<b>0.21</b>

**ANNEXURE – XIII**
**RESTATED STATEMENT OF FIXED ASSETS**
**( Rs. In Lakhs)**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2012	Additi ons	Deducti ons	As At March 31, 2013	As At April 1, 2012	Additi ons	Deduc tions	As At Marc h 31, 2013	As At Marc h 31, 2013	As At Marc h 31, 2012
<b>I. TANGIBLE ASSETS- OWNED</b>										
Freehold Land	-	-	-	-	-	-	-	-	-	-
Plant & Machineries	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-
Computer Systems	-	-	-	-	-	-	-	-	-	-
<b>II. INTANGIBLE ASSETS- OWNED</b>										
ERP VIP Software	-	-	-	-	-	-	-	-	-	-
<b>T O T A L (I+II)</b>	-	-	-	-	-	-	-	-	-	-

**( Rs. In Lakhs)**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additi ons	Deducti ons	As At March 31, 2014	As At April 1, 2013	Additi ons	Deduc tions	As At Marc h 31, 2014	As At Marc h 31, 2014	As At Marc h 31, 2013
<b>I. TANGIBLE ASSETS- OWNED</b>										
Freehold Land	-	-	-	-	-	-	-	-	-	-
Plant & Machineries	-	4.19	-	4.19	-	0.56	-	0.56	3.63	-
Office Equipment	-	1.29	-	1.29	-	0.13	-	0.13	1.16	-
Furniture & Fixtures	-	0.70	-	0.70	-	0.12	-	0.12	0.58	-
Vehicles	-	-	-	-	-	-	-	-	-	-
Computer Systems	-	1.47	-	1.47	-	0.30	-	0.30	1.17	-

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additi ons	Deducti ons	As At March 31, 2014	As At April 1, 2013	Additi ons	Deduc tions	As At Marc h 31, 2014	As At Marc h 31, 2014	As At Marc h 31, 2013
<b>II. INTANGIBLE ASSETS- OWNED</b>										
ERP VIP Software	-	-	-	-	-	-	-	-	-	-
<b>T O T A L (I+II)</b>	<b>-</b>	<b>7.65</b>	<b>-</b>	<b>7.65</b>	<b>-</b>	<b>1.11</b>	<b>-</b>	<b>1.11</b>	<b>6.54</b>	<b>-</b>

( Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2014	Additi ons	Deducti ons	As At March 31, 2015	As At April 1, 2014	Additi ons	Deduc tions	As At Marc h 31, 2015	As At Marc h 31, 2015	As At Marc h 31, 2014
<b>I. TANGIBLE ASSETS- OWNED</b>										
Freehold Land	-	-	-	-	-	-	-	-	-	-
Plant & Machineries	4.19	1.18	-	5.37	0.56	0.83	-	1.39	3.98	3.63
Office Equipment	1.29	1.14	-	2.43	0.13	0.92	-	1.05	1.38	1.16
Furniture & Fixtures	0.70	0.40	-	1.10	0.12	0.22	-	0.34	0.76	0.58
Vehicles	-	0.63	-	0.63	-	0.05	-	0.05	0.58	-
Computer Systems	1.47	4.16	-	5.63	0.30	3.08	-	3.38	2.25	1.17
<b>II. INTANGIBLE ASSETS- OWNED</b>										
ERP VIP Software	-	1.00	-	1.00	-	-	-	-	1.00	-
<b>T O T A L (I+II)</b>	<b>7.65</b>	<b>8.51</b>	<b>-</b>	<b>16.16</b>	<b>1.11</b>	<b>5.10</b>	<b>-</b>	<b>6.21</b>	<b>9.94</b>	<b>6.54</b>

(Rs. In Lakhs)

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
<b>I. TANGIBLE ASSETS-OWNED</b>										
Freehold Land	-	-	-		-	-	-	-	-	-
Plant & Machineries	5.37	-	-	5.37	1.39	1.24	-	2.64	2.73	3.98
Office Equipment	2.43	-	-	2.43	1.05	0.46	-	1.51	0.92	1.38
Furniture & Fixtures	1.10	-	-	1.10	0.34	0.36	-	0.70	0.40	0.76
Vehicles	0.63	17.85	-	18.48	0.05	5.35	-	5.40	13.08	0.58
Computer Systems	5.63	0.62	-	6.25	3.38	1.13	-	4.51	1.74	2.25
<b>II. INTANGIBLE ASSETS-OWNED</b>										
ERP VIP Software	1.00	-	-	1.00	-	-	-	-	1.00	1.00
<b>T O T A L (I+II)</b>	<b>16.16</b>	<b>18.47</b>	<b>-</b>	<b>34.63</b>	<b>6.21</b>	<b>8.54</b>	<b>-</b>	<b>14.76</b>	<b>19.87</b>	<b>9.94</b>

(Rs. In Lakhs)

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
<b>I. TANGIBLE ASSETS-OWNED</b>										
Freehold Land	-	71.72	-	71.72	-	-	-	-	71.72	-
Plant & Machineries	5.37	-	-	5.37	2.64	0.21	-	2.85	2.52	2.73
Office Equipment	2.43	-	-	2.43	1.51	0.27	-	1.78	0.65	0.92
Furniture & Fixtures	1.10	0.66	-	1.76	0.70	0.07	-	0.77	0.99	0.40
Vehicles	18.48		-	18.48	5.40	1.66	-	7.06	11.42	13.08
Computer Systems	6.25		-	6.25	4.51	0.77	-	5.28	0.97	1.74

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
<b>II. INTANGIBLE ASSETS-OWNED</b>										
ERP VIP Software	1.00	-	1.00	-	-	-	-		-	1.00
<b>T O T A L (I+II)</b>	<b>34.63</b>	<b>72.38</b>	<b>1.00</b>	<b>106.02</b>	<b>14.76</b>	<b>2.98</b>	<b>-</b>	<b>17.74</b>	<b>88.27</b>	<b>19.87</b>

**ANNEXURE – XIV**  
**DETAILS OF DEFERRED TAX ASSETS AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening Balance	1.08	0.18	(0.11)	-	-
Add: Deferred Tax Assets	-	0.90	0.29	-	-
Less: Deferred Tax Liabilities	(0.20)	-	-	-	-
<b>T O T A L</b>	<b>0.88</b>	<b>1.08</b>	<b>0.18</b>	<b>-</b>	<b>-</b>

**ANNEXURE – XV**  
**DETAILS OF LONG TERM LOANS & ADVANCES**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Unsecured but Considered Good</b>					
Security Deposits	0.40	0.40	-	-	-
<b>T O T A L</b>	<b>0.40</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – XVI**  
**DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Preliminary Expenses ( To the Extent Not Written off)	5.68	0.22	0.26	0.30	0.34
<b>T O T A L</b>	<b>5.68</b>	<b>0.22</b>	<b>0.26</b>	<b>0.30</b>	<b>0.34</b>

**ANNEXURE – XVII**  
**DETAILS OF INVENTORIES AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Stock-In-Trade	93.77	60.80	33.77	48.42	-
<b>T O T A L</b>	<b>93.77</b>	<b>60.80</b>	<b>33.77</b>	<b>48.42</b>	<b>-</b>

**ANNEXURE – XVIII**  
**DETAILS OF TRADE RECEIVABLES AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Unsecured, considered good</u></b>					
Less than six months	162.30	248.85	14.52	147.58	-
More than six months	221.06	-	87.49	2.23	-
<b>T O T A L</b>	<b>383.36</b>	<b>248.85</b>	<b>102.01</b>	<b>149.81</b>	<b>-</b>

**Details of Trade Receivables from Related Parties**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>From</u></b>					
Key Management Persons	-	-	-	-	-
Relative of Key Management Persons	-	-	-	-	-
Associate Concerns	-	-	-	-	-
<b>T O T A L</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE - XIX**
**DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED**
**(Rs. In lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Balance with Banks					
- In Current Accounts	13.56	-	0.18	0.06	-
- In FD Accounts as Margin Money/Security Deposits	-	1.34	3.70	-	-
Cash On Hand	5.13	2.75	18.48	0.92	0.20
<b>TOTAL</b>	<b>18.69</b>	<b>4.09</b>	<b>22.36</b>	<b>0.98</b>	<b>0.20</b>

**ANNEXURE - XX**
**DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED**
**(Rs. In lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Advance to supplier	21.87	4.72	1.26	1.06	-
Balances with Government Authorities	6.20	0.52	4.60	1.27	-
Advance to Staff	1.61	0.39	3.52	4.12	2.06
Advance to Others	-	8.39	48.12	30.20	-
Prepaid Expenses	1.85	-	-	0.35	-
<b>TOTAL</b>	<b>31.54</b>	<b>14.02</b>	<b>57.70</b>	<b>37.38</b>	<b>2.06</b>

**Details of Short Term Loans and Advances from Related Parties**
**(Rs. In lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>From</b>					
Key Management Persons	-	-	-	-	-
Relative of Key Management Persons	-	-	-	-	-
Associate Concerns	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**ANNEXURE - XXI**  
**DETAILS OF OTHER CURRENT ASSETS AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Accrued Income	-	1.95	1.05	-	-
<b>TOTAL</b>	<b>-</b>	<b>1.95</b>	<b>1.05</b>	<b>-</b>	<b>-</b>

**ANNEXURE – XXII**  
**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

(Rs. In lakhs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<b>A. Sales-Trading</b>					
- Local Sales –Net	493.83	280.97	201.16	399.41	-
<b>B. Service Charge Income</b>					
Sale of Services	23.43	34.15	89.27	13.25	-
<b>TOTAL</b>	<b>517.26</b>	<b>315.13</b>	<b>290.43</b>	<b>412.66</b>	<b>-</b>

**ANNEXURE - XXIII**  
**DETAILS OF OTHER INCOME AS RESTATED**

(Rs. In lakhs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Other income	1.82	13.40	1.62	0.15	-
Net Profit Before Tax as Restated	25.89	18.45	6.04	6.89	(1.04)
<b>Percentage</b>	<b>7.02%</b>	<b>72.60%</b>	<b>26.85%</b>	<b>2.20%</b>	<b>0.00%</b>

### Source of Other Income

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013	
Interest Income on FD	-	0.20	0.17	-	-	Recurring and not related to business activity
Sundry Balances Written off	-	9.92	-	-	-	Non-recurring and related to business activity
Interest received from Others	-	0.32	-	-	-	Non Recurring and not related to business activity
Freight & Transportation on Sales	1.48	2.72	1.45	-	-	Recurring and related to business activity
Other Misc. Income	0.34	0.23	-	0.15	-	Non-recurring and related to business activity
<b>Total Other Income</b>	<b>1.82</b>	<b>13.40</b>	<b>1.62</b>	<b>0.15</b>	<b>-</b>	

### ANNEXURE – XXIV

#### DETAILS OF PURCHASE OF TRADING GOODS AS RSTATED

(Rs. In lakhs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Purchases of Trading Goods	389.45	221.82	148.80	321.01	-
<b>TOTAL</b>	<b>389.45</b>	<b>221.82</b>	<b>148.80</b>	<b>321.01</b>	<b>-</b>

**ANNEXURE – XXV**
**DETAILS OF CHANGES IN INVENTORIES OF GOODS TRADED AS RSTATED**
**(Rs. In lakhs)**

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Opening Stock	60.80	33.77	48.42	-	-
Less: Closing Stock	(93.77)	(60.80)	(33.77)	(48.42)	-
<b>T O T A L</b>	<b>(32.98)</b>	<b>(27.02)</b>	<b>14.64</b>	<b>(48.42)</b>	<b>-</b>

**ANNEXURE – XXVI**
**DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RSTATED**
**(Rs. In lakhs)**

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Salary & Wages	50.49	30.44	21.76	9.72	-
Directors' Remuneration	12.00	7.20	11.29	7.52	-
Ex-gratia and Bonus	-	0.50	4.38	1.07	-
Staff Welfare Expenses	1.73	1.96	0.40	1.44	-
Keyman Insurance Premium	-	-	-	4.03	-
<b>T O T A L</b>	<b>64.22</b>	<b>40.10</b>	<b>37.83</b>	<b>23.78</b>	<b>-</b>

**ANNEXURE – XXVII**
**DETAILS OF FINANCE COSTS AS RSTATED**
**(Rs. In lakhs)**

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Interest to Banks	12.06	13.14	10.90	2.59	-
Interest on Income Tax	0.23	-	-	-	-
Interest on TDS	1.38	0.40	0.02	0.05	-
Interest on CST/VAT	0.18	-	0.23	-	-
Interest on Service Tax	0.77	-	0.21	-	-
Interest on Vehicle Loans	1.18	0.86	-	-	-

Interest on Unsecured Loans	-	4.16	-	-	-
Interest on Professional Tax	0.06	-	0.13	-	-
Bank Charges	1.89	1.55	1.10	0.39	-
<b>TOTAL</b>	<b>17.75</b>	<b>20.11</b>	<b>12.59</b>	<b>3.03</b>	<b>-</b>

#### ANNEXURE – XXVIII

#### DETAILS OF DEPRECIATION AND AMORTISATION AS RSTATED

(Rs. In lakhs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Depreciation & Amortization	2.98	8.54	5.10	1.11	-
<b>TOTAL</b>	<b>2.98</b>	<b>8.54</b>	<b>5.10</b>	<b>1.11</b>	<b>-</b>

#### ANNEXURE – XXIX

#### DETAILS OF OTHER EXPENSES AS RSTATED

(Rs. In lakhs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<b>I. DIRECT EXPENSES</b>					
Labour Charges	0.49	0.36	25.57	63.61	-
Engineering Consulting Fees	7.04	5.41	5.10	9.02	-
Custom Duty, Inward Freight & Transportation Charges	9.04	3.40	1.92	4.14	-
Laboratory Expenses	3.21	0.64	1.30	1.42	-
Input Tax Credit Reduction	0.43	1.03	1.12	2.31	-
Miscellaneous Material Expenses	1.18	0.69	0.24	2.59	-
<b>II. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>					
Postage, Telephone & Communication Expenses	3.20	3.51	2.87	1.37	-
Stationery & Printing	0.31	0.39	0.59	0.54	-
Travelling, Conveyance & Vehicle Expenses	6.10	8.49	4.71	5.14	0.30
Legal & Professional Charges	4.26	3.86	2.53	0.81	0.40

Rent, Rates & Taxes	4.25	3.78	9.68	4.92	-
Electricity Expenses	1.39	1.58	1.50	0.51	-
Auditor's Remuneration	0.40	0.34	0.51	0.51	0.21
Insurance Expenses	0.82	1.36	0.26	0.15	-
Advertisement Expenses	1.90	2.05	2.65	1.02	-
Sales Promotion Expenses	0.47	0.30	2.12	0.32	-
Marketing Expenses	0.58	0.91	0.50	0.26	-
Outward Freight & Transportation	-	0.19	-	1.69	-
Entertainment Expenses	-	0.04	0.24	0.73	-
Commission on Sales/Services	-	0.45	0.32	0.35	-
Tender Fees	0.33	0.38	-	0.01	-
Vatav/Kasar	0.55	-	0.59	-	-
Preliminary Expenses Written Off	1.41	0.04	0.04	0.04	0.04
Bad Debts	0.16	0.06	-	-	-
Other Expenses	4.24	3.12	2.68	3.94	0.09
<b>TOTAL</b>	<b>51.76</b>	<b>42.38</b>	<b>67.04</b>	<b>105.40</b>	<b>1.04</b>

## ANNEXURE - XXX

### DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED

Name of Relative	Nature of Relation
<u>Key Management Personnel</u>	
Ritesh V. Patel	Managing Director
SagarS. Shah	Whole Time Director
Sweta S. Shah	Director
Aditya Pratap Singh (Resigned w.e.f. 25.09.2014)	Director
<u>Relatives of Key Management Personnel</u>	
Mayuri V. Patel	Mother of Directors
<u>Associate Concerns</u>	
Felix Industries	Proprietorship of Director
Swetsam Stock Holding Private Limited	Company in Which Director is Director

**DETAILS OF TRANSACTIONS AND OUTSTANDING BALANCES**
**(Rs. In lakhs)**

Name	Nature of Transaction	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable
Ritesh V. Patel	Loan Taken	30.60	-	25.62	(33.76)	46.72	(19.17)	23.08	(18.11)	-	-
	Loan Repaid	65.67	-	14.32	-	45.65	-	4.98	-	-	-
	Share Application Money Received	140.10	-	-	-	19.50	-	-	-	0.50	-
	Rent Paid	-	-	-	-	1.80	-	-	-	-	-
	Interest Paid	-	-	3.66	-	-	-	-	-	-	-
	Directors Remuneration	7.20	(0.65)	7.20	0.39	9.60	(5.81)	3.87	-	-	-
Sagar S. Shah	Loan Taken	85.00	-	-	-	-	-	-	-	-	-
	Loan Repaid	85.00	-	-	-	-	-	-	-	-	-
	Share Application Money Received	189.90	-	-	-	-	-	-	-	-	-
	Directors Remuneration	4.80	(0.65)	-	-	-	-	-	-	-	-
Aditya Pratap Singh	Directors Remuneration	-	-	-	-	1.69	(0.23)	3.65	0.02	-	-
Mayuri V. Patel	Loan Taken	-	-	-	-	4.50	-	-	-	-	-
	Loan Repaid	-	-	-	-	4.50	-	-	-	-	-
	Share Application Money Received	-	-	-	-	4.50	-	-	-	0.50	-
Felix Industries	Sale of Goods	-	-	-	-	-	-	1.47	-	-	-
	Purchase of Goods	-	-	-	-	-	-	2.66	-	-	-
	Loan Given	10.00	-	-	-	-	-	-	-	-	-

Name	Nature of Transaction	Amount of Transaction in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/ Receivable	Amount of Transaction in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in 2012-13	Amount Outstanding as on 31.03.13 (Payable)/ Receivable
Swetsam Stock Holding Private Limited	Loan Repaid by the Party	10.00	-	-	-	-	-	-	-	-	-

## ANNEXURE - XXXI

## DETAILS OF SIGNIFICANT ACCOUNTING RATIOS AS RESTATED

(Rs. In lakhs, except No. of shares data)

Ratios	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Restated PAT as per P& L Account	17.20	15.15	4.17	5.03	(1.04)
Weighted Average Number of Equity Shares at the end of the Year	14,53,760	2,50,000	76,000	10,000	4,990
No. of shares outstanding at the end of the year	37,25,000	2,50,000	2,50,000	10,000	10,000
Net Worth	385.68	43.94	32.90	4.69	(0.37)
<b>Earnings Per Share</b>					
Basic & Diluted	1.18	6.06	5.48	50.30	(20.86)
<b>Return on Net Worth (%)</b>	4.46%	34.48%	12.66%	107.16%	(279.14%)
<b>Net Asset Value Per Share (Rs)</b>	10.35	17.58	13.16	46.94	(3.73)
Nominal Value per Equity share (Rs.)*	10.00	10.00	10.00	10.00	10.00

**Ratios have been calculated as below**

(i)	Basic and Diluted Earnings Per Share (EPS) (Rs.) =	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year}}$
(ii)	Return on Net Worth (%) =	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$
(iii)	Net Asset Value per equity share (Rs.) =	$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year}}$



## ANNEXURE - XXXII

## CAPITALISATION STATEMENT AS AT MARCH 31, 2017

(Rs. In lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	101.08	101.08
Long Term Debt (B)	10.38	10.38
<b>Total debts (C=A+B)</b>	111.45	111.45
<b>Shareholders' funds</b>		
Equity share capital (D)*/^	372.50	590.00
Reserve and surplus - as restated (E )	18.87	360.12
<b>Total shareholders' funds (F=D+E)</b>	<b>391.37</b>	950.12
<b>Long term debt / shareholders funds</b>	<b>0.03</b>	<b>0.01</b>
<b>Total debt / shareholders funds</b>	<b>0.28</b>	<b>0.12</b>

## ANNEXURE - XXXIII

## STATEMENT OF TAX SHELTERS

(Rs. In lakhs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<b>Restated Profit before tax as per books (A)</b>	<b>25.89</b>	<b>18.45</b>	<b>6.04</b>	<b>6.89</b>	<b>(1.04)</b>
<b><u>Tax Rates</u></b>					
Income Tax Rate (%)	30.90%	30.90%	30.90%	30.90%	30.90%
Minimum Alternate Tax Rate (%)	19.06%	19.06%	19.06%	19.06%	19.06%
<b>Adjustments :</b>					
<b>Income considered separately</b>					
<b>Total Income considered separately (B)</b>					
<b>Timing/Permanent Differences (C)</b>					
Book Depreciation	2.98	8.54	5.10	1.11	
Effects of Other Allowance/Disallowance	2.22	4.85	-	0.05	
Loss of Earlier Year Set-off	-	-	-	(1.04)	-
Income Tax Depreciation Allowance	(3.90)	(5.62)	(4.17)	(1.48)	-
<b>Total Timing/Permanent Differences (C)</b>	<b>1.30</b>	<b>7.78</b>	<b>0.93</b>	<b>(1.36)</b>	<b>-</b>
<b>Net Adjustments D = (B+C)</b>	<b>1.30</b>	<b>7.78</b>	<b>0.93</b>	<b>(1.36)</b>	<b>-</b>
<b>Tax expense / (saving) thereon</b>	<b>0.40</b>	<b>2.40</b>	<b>0.29</b>	<b>(0.42)</b>	<b>-</b>
<b>Income from Capital Gains (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income from Other Sources</b>					
Interest Income	-	-	-	-	-

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<b>Total Income from Other Sources (F)</b>	-	-	-	-	-
Taxable Income/(Loss) (A+D+E+F)	27.44	26.24	6.97	5.54	(1.04)
<b>Income Tax on above</b>	<b>8.48</b>	<b>8.11</b>	<b>2.15</b>	<b>1.71</b>	-
<b>MAT on Book Profit</b>	<b>4.93</b>	<b>3.52</b>	<b>1.15</b>	<b>1.31</b>	-
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal

## STATEMENT OF FINANCIAL INDEBTEDNESS

To,  
**FELIX INDUSTRIES LIMITED**  
 208, DEVSHRUTI COMPLEX,  
 OPP. MEDISURGE HOSPITAL  
 NR. MITHAKHALI CROSS ROAD,  
 ELLISBRIDGE AHMEDABAD GJ 380006

Dear Sir,

The principal terms of loans as outstanding as at 31<sup>st</sup> March, 2017 & 30<sup>th</sup> June, 2017 is as given below:

**A. Secured Loans:**

Name of Lender	Purpose	Sanctioned Amount (Rs. In Lakh)	Rate of interest	Securities offered		Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books) (Rs. In Lakh) As At 31.3.2017	Outstanding amount as on (as per Books) (Rs. In Lakh) As At 30.6.2017
				Primary Security	Collateral Security				
Bank of Baroda, Law Garden, Ahmedabad	Working Capital	100.00	2.50% over Base Rate i.e. 12.50% p.a.	i. Secured by Hypothecation of Stock and Book Debts of the Company. ii. Secured by Mortgage of Office No. 208, Dev Shruti Complex, Opp. Medisurge Hospital, Near Mithakhali Cross Road, Ellisbridge, Ahmedabad.		Repayable on Demand	NIL	100.35	99.67
ICICI Bank	Car Loan	14.50		Hypothecation of Car		Monthly Instalment	NIL	10.38	9.71
<b>Total</b>		<b>114.50</b>						<b>110.73</b>	<b>109.38</b>

**Terms and Conditions as per sanction letter:**

- Stock hypothecated to the bank other than specifically exempted shall be insured for full value against all usual risks as per Bank's norms at the cost of company, the due date of insurance should be synchronized as per the Bank's existing guidelines.
- Company to submit stock/book debts statements every month to the branch within 7 days of close of month to which it relates, duly signed by the authorized officials of the company and the same should be verified books of account of the company.

- iii. The rate of interest is subject to change in Base Rate, declared by the bank from time to time and in accordance with the RBI guidelines and credit rating of the firm.

**B. Unsecured Loans:**

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books) (Rs. In Lakh) As At 31.3.2017	Outstanding amount as on (as per Books) (Rs. In Lakh) As At 30.6.2017
Mohan Polyfeb Treatment I P Ltd	Business Loan	NIL	Not Applicable	NIL	0.53	0.53
Udaybhai C. Shah	Business Loan	NIL	Not Applicable	NIL	0.09	0.09
Udaybhai C. Shah HUF	Business Loan	NIL	Not Applicable	NIL	0.09	0.09
<b>Total</b>					<b>0.71</b>	<b>0.71</b>

**Terms and Conditions:**

All Unsecured Loans from Directors and Others are interest free and all are taken without any preconditions attached towards.

**FOR, S.N. SHAH & ASSOCIATES,  
CHARTERED ACCOUNTANTS,  
FIRM REG. NO.: 109782W**

**FIROJ G. BODLA  
PARTNER  
M. No.: 126770  
PLACE: Ahmedabad  
Date: 5<sup>th</sup> July, 2017**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “Risk Factors” beginning on page 17 and “Forward Looking Statements” beginning on page 15, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated summary statements as of and for the stub period ending on fiscal years ended March 31, 2017; March 31, 2016; March 31, 2015; March 31, 2014 and March 31, 2013, including the schedules and notes thereto and the reports thereto, which appear in the section titled “Financial Information of the Company” on Page No. 213 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### Overview

Our Company was originally incorporated as “Felix Industries Private Limited” on September 18, 2012 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company was subsequently converted in to a public limited company and consequently the name was changed to “Felix Industries Limited” (FIL) vide fresh certificate of incorporation dated April 24, 2017 issued by Registrar of Companies, Ahmedabad, Gujarat. The CIN of the Company is U40103GJ2012PLC072005.

The Promoters of the company are Mr. Ritesh Vinay Patel & Mr. Sagar Samir Shah with an aim of running a Waste-Water and E-waste recycling business started these division as a part of business growth.

Established in 2012, Felix Industries Ltd is an Environmental Conservation Company with a fundamental vision of “Recycle-Reuse-Recover-Reduce”. The company is based out of Ahmedabad, Gujarat and spear headed by Mr. Ritesh Vinay Patel, a Chemical Engineer with an experience of close to eight years and Mr. Sagar Samir Shah who holds Masters Qualification in Environmental Biotechnology and Sustainable Waste Management with an experience of three years. With a journey of over five years the company has forayed into different business segments i.e. Water and Waste Water Recycling, Industrial Piping, Nano Products (Membrane Technologies) and E-waste Recycling.

The company through its Water and Waste Water Recycling division has been engaged into designing, engineering, procurement and construction of effluent recycling and reuse plants where their major areas of focus and expertise are:-

1. Water & Waste Water Recycling systems and other allied services
2. Advanced Membrane Separation Systems
3. Zero Liquid Discharge Systems
4. Product Recovery from Effluent Waste
5. Ultra Pure water for Food and Pharmaceutical Industries
6. Raw Water Reverse Osmosis Plant

Felix through its water treatment division provides its services to industries such as steel, chemical, pharmaceutical, plastic, paper & pulp, leather, automotive, textile & dyes, food and dairy etc. Since past 5 years the company has executed 15 projects in various segments as required by the respective industries.

Our company also provides complete water and waste water solutions using Membrane Separation Technology including pre-treatment and post-treatment.

Our company has entered into a Technical Collaboration with GEA Engineering & Environment Consultants Inc., a New York based water treatment company which has the required expertise in designing systems using Membrane and have been operating since more than two decades with a global presence. It is a multi disciplined international water and waste water firm specializing in the planning, designing and construction of industrial water and wastewater facilities including water treatment plants, as well as water reclamation and desalination systems using Membrane Technologies using reverse osmosis. Further with the focus on serving the private industry, GEA is providing cost effective systems using latest technology for waste water treatment and water purification.

Felix Industries with the support of GEA Engineering will spearhead the domain of industrial waste water treatment and recycling, water processing municipal water treatment and allied services for conservation of the environment.

Our company during FY12, was appointed as an authorized distributor and marketing associate of Astral Poly Technik Ltd for its industrial piping sales. Further during same year it also entered into a tie-up with an MNC name The Aliaxis Group to market and distributes their Thermoplastic products with the exclusivity of distributing the products in entire state of Gujarat. Through this division, our company provides a range of thermo-plastic pipes, fittings & valves and also provides end-to-end service right from selection of pipes to design, supply and installation.

Felix is a government approved e-waste recycling company with a processing capacity of 6000 MT per year and it also has one of the largest recycling capacities in India. The E-Waste collected from pan India is processed at the company's plant located at Electronic Estate, Gandhinagar where activities like e-waste collection, storage, dismantling and segregation takes place. The premises are well equipped with all the necessary facilities and follow all the safety procedures required for a good working environment along with a dedicated team of experts to identify process and re-use E-waste. The purpose behind starting this division was to take care of the growing menace of electric and electronic waste and will help reduce their environmental effects.

Our promoters, Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah have the required experience of the said industry of around six and three years respectively, through which they have been taking right steps towards the direction of developing the waste-water and e-waste recycling business in a more organized manner thereby expanding their horizon to various industries and geographies across the world. For further information on our business, please refer to "Business Overview" beginning on page no.137 of this Draft Prospectus.

### ***Significant Developments Subsequent to the Last Financial Year***

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. Our Company has constituted an Audit Committee ("Audit Committee"), Nomination and Remuneration Committee and Stakeholders Relationship Committee vide Board Resolution dated June 27, 2017, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE ("NSE Emerge").

2. We have appointed Mr. Sagar Samir Shah as Whole time director of the Company with effect from April 01, 2017.

3. We have appointed Mrs. Shweta Samir Shah as Non-Executive Independent Director of the Company with effect from February 13, 2017.

4. We have appointed Ms. Hena Shah as Company Secretary of the Company with effect from February 13, 2017.

***Key factors affecting our results of operation:***

The business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factor" beginning on page no.17 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and demographic conditions;
- Our ability to identify suitable projects and execute them in a timely and cost effective manner;
- The availability of finance on favourable terms for our business and for our customers;
- Competition;
- Significant developments in India's economic and fiscal policies;
- Our ability to attract and retain consumers and job workers;
- Our ability to meet our capital expenditure requirements;
- Shortage of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply market;
- Failure to comply with environmental, labour, health and safety laws and regulations may affect our business;
- We are dependent on third party transportation providers, and an interruption or delay in deliveries, or an unexpected increase in costs could affect us;
- Fluctuation in foreign currencies may have an adverse effect on our operations;
- Our e-waste business heavily depends on the performance of the metal and metal consuming industries in India;
- Our e-waste license and export are subject to renewal from time to time or inspection by the government;
- Our ability to obtain the necessary licenses in timely manner.

***Our Significant Accounting Policies:***

Our significant accounting policies are described in the Section VI entitled "Financial Statements" on page no. 220 of this Draft Prospectus.

### *Our Results of Operations*

The following discussion on results of operations should be read in conjunction with the restated financial results of our company for the period ending on the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013.

Particulars (For the Year Ended)	31st March 2017	% of Total Income	31st March 2016	% of Total Income	31st March 2015	% of Total Income	31st March 2014	% of Total Income	31st March 2013	% of Total Income
Revenue From Operations	51,725,623	99.65	31,512,586	95.92	29,042,522	99.44	41,265,866	99.96	-	-
Other Income	181,723	0.35	1,339,722	4.08	162,156	0.56	15,154	0.04	-	-
<b>Total Income</b>	<b>51,907,346</b>	<b>100</b>	<b>32,852,308</b>	<b>100</b>	<b>29,204,678</b>	<b>100</b>	<b>41,281,020</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Expenditure</b>										
Cost of Materials Consumed	-	-	-	-	-	-	-	-	-	-
Purchase of Stock-in-Trade	38,944,742	75.02	22,181,604	67.52	14,880,212	50.95	32,100,707	77.76	-	-
Changes in Inventories of Finished Goods, WIP	(3,297,643)	(6.35)	(2,702,496)	(8.23)	1,464,277	(5.01)	(4,841,607)	(11.73)	-	-
Employee Benefit Expense	6,422,441	12.37	4,010,260	12.21	3,783,327	12.95	2,378,444	5.76	-	-
Financial Expense	1,775,043	3.41	2,011,470	6.12	1,258,814	4.31	302,668	0.73	-	-
Depreciation & Amortization Expense	298,208	0.57	854,472	2.60	509,714	1.75	111,492	0.27	-	-
Other Expenses	5,175,620	9.97	4,237,626	12.90	6,704,494	22.96	10,540,116	25.53	1.04	-
<b>Total Expenses</b>	<b>49,318,411</b>	<b>95.01</b>	<b>30,592,936</b>	<b>93.12</b>	<b>28,600,838</b>	<b>97.93</b>	<b>40,591,820</b>	<b>98.33</b>	<b>1.04</b>	<b>-</b>
<b>Profit Before exceptional and extraordinary items &amp; taxes</b>	<b>2,588,935</b>	<b>4.99</b>	<b>2,259,373</b>	<b>6.88</b>	<b>603,840</b>	<b>2.07</b>	<b>689,201</b>	<b>1.67</b>	<b>(1.04)</b>	<b>-</b>
Exceptional Items	-	-	414,101	1.26	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>2,588,935</b>	<b>4.99</b>	<b>1,845,272</b>	<b>5.62</b>	<b>603,840</b>	<b>2.07</b>	<b>689,201</b>	<b>1.67</b>	<b>(1.04)</b>	<b>-</b>
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>2,588,935</b>	<b>4.99</b>	<b>1,845,272</b>	<b>5.62</b>	<b>603,840</b>	<b>2.07</b>	<b>689,201</b>	<b>1.67</b>	<b>(1.04)</b>	<b>-</b>



<b>Tax Expense</b>	<b>868,651</b>	<b>1.68</b>	<b>744,370</b>	<b>2.26</b>	<b>187,263</b>	<b>0.64</b>	<b>186,200</b>	<b>0.45</b>	<b>-</b>	<b>-</b>
Current Tax	847,871	1.63	835,130	2.54	216,000	0.74	175,000	0.42	-	-
Deferred Tax	20,780	0.04	(90,760)	(0.28)	(28,737)	(0.10)	11,200	0.03	-	-
<b>Restated profit after tax for the period from continuing operations</b>	<b>1,720,284</b>	<b>3.31</b>	<b>1,100,902</b>	<b>3.36</b>	<b>416,577</b>	<b>1.43</b>	<b>503,001</b>	<b>1.22</b>	<b>(1.04)</b>	<b>-</b>

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

### ***Revenue from Operations***

During the year 2016-17, the total revenue of our company has increased to Rs. 517.26 lakhs as against Rs. 315.13 lakhs in year 2015-16 representing an increase of 64 % over the previous year. This increase in revenue was due to increase in local sale of our products.

### ***Other Income:***

Other income of the Company for the year 2016-17 was Rs. 1.82 Lakhs in comparison with Rs. 13.40 Lakhs for the year 2015-16. Decrease in other income was primarily due to decrease in income from interest on fixed deposits and others, sundry creditor written off, freight and transportation on sale and various other incomes.

### ***Total Expenses***

The total expenditure for the year 2016-17 has been incurred Rs. 493.18 lakhs against Rs. 305.93 lakhs in the year 2015-16. The total expenses increased by 61.21% over the previous year. This was mainly on account of increase in costs of sales and services and employee costs.

### ***Cost of sales and services***

Our costs of sales and services increased to Rs. 356.47 lakhs in 2016-17 from Rs. 194.80 lakhs in the year 2015-16 due to the increase in expenses towards material costs corresponding to an increase in our turnover.

### ***Employee expenses***

Expenses incurred on labour and its welfare during the financial year 2016- 17 was Rs. 64.22 lakhs and 2015-16 was Rs. 40.1 lakhs. This increase was on account of recruitment of new personnel by our company and increase in director remuneration.

### ***Finance cost***

Finance cost during the financial year 2016- 17 was Rs. 17.75 lakhs and 2015-16 was Rs. 20.11 lakh. This decrease is primarily due to decrease in bank interest, interest on Unsecured loans.

### ***Depreciation and amortization expense***

There was decrease in depreciation and amortization expenses during financial year 2016-17. In the Financial Year 2016-17 it was Rs. 2.98 lakhs as compared to Rs.8.54 lakhs in Financial Year 2015-16.

### ***Other expenses***

Other miscellaneous expenses incurred by the company during the financial year 2016- 17 were Rs. 51.75 lakhs and 2015-16 were Rs. 42.38 lakhs. The increase was due to increase in custom duty, inward freight & transportation charges and also increase in laboratory expense, sales promotion expenses & preliminary expenses written off.

***Profit/ (Loss) After Tax***

The PAT for financial year 2016-17 has increased to Rs. 17.20 lakhs from Rs. 11.01 lakhs in financial year 2015-16. This was mainly on account of increase in turnover and less financial expenses & depreciation expense of the company during the year.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015*****Revenue from Operations***

During the year 2015-16, the total revenue of our company has increased to Rs. 315.13 lakhs as against Rs. 290.43 lakhs in year 2014-15 representing an increase of 9 % over the previous year. This increase in revenue was due to increase in sale of our products backed by right marketing strategy.

***Other Income***

Other income of the Company for the year 2015-16 was Rs. 13.40 Lakhs in comparison with Rs. 1.62 Lakhs for the year 2014-15. Increase in other income was primarily due to increase in income from interest on fixed deposits, sundry creditor written off, freight and transportation on sale.

***Total Expenses***

The total expenditure for the year 2015-16 has been incurred Rs. 305.93 lakhs against Rs. 286.01 lakhs in the year 2014-15. The total expenses increased by 7% over the previous year. This was mainly on account of increase in costs of sales and services, employee costs, financial expenses and depreciation.

***Cost of sales and services***

Our costs of sales and services increased to Rs. 194.80 lakhs in 2015-16 from Rs. 163.44 lakhs in the year 2014-15 due to the increase in expenses towards material costs corresponding to an increase in our turnover.

***Employee expenses***

Expenses incurred on labour and its welfare during the financial year 2015- 16 was Rs. 40.1 lakhs and 2014-15 was Rs. 37.83 lakhs. This increase was on account of recruitment of new personnel by our company and incurring expenses for staff welfare.

***Finance cost***

Finance cost during the financial year 2015- 16 was Rs. 20.11 lakhs and 2014-15 was Rs. 12.59 lakh. This increase is primarily due to an increase in bank charges, bank interest, interest on unsecured loans and taxes.

***Depreciation and amortization expense***

During financial year 2015-16 there has been purchase of vehicles along with other computer and accessories in the fixed assets of the company. This addition has led to an increase in the depreciation provision from Rs.5.10 lakhs in Financial Year 2014-15 to Rs. 8.54 lakhs in Financial Year 2015-16.

***Other expenses***

Other miscellaneous expenses incurred by the company during the financial year 2015- 16 were Rs. 42.38 lakhs and 2014-15 were Rs. 67.04 lakhs. The decrease was due to reduction in labour charges and various miscellaneous expenses.

***Profit/ (Loss) After Tax***

The PAT for financial year 2015-16 has increased to Rs. 11.01 lakhs from Rs. 4.17 lakhs in financial year 2014-15, which represents a jump of around 164% over the previous year. This was mainly on account of increase in high margin business during the year, higher other income and lower other expenses .

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014*****Revenue from Operations***

During the year 2014-15, the total revenue of our company has decreased to Rs. 290.43 lakhs as against Rs. 412.66 lakhs in year 2013-14. It represents decrease of 29% over the previous year on account of lower sales of our products. However income from service charges increased nearly 7 times in 2014-15 from 2013-14.

***Other Income***

Other income of the company for the year 2014-15 was Rs. 1.62 Lakhs in comparison with Rs. 0.15 Lakhs for the year 2013-14. Increase in other income was primarily due to increase in income from interest on fixed deposits along with increase in freight and transportation on sales.

***Total Expenses***

The total expenditure for the year 2014-15 incurred was Rs. 286.01 lakhs as against Rs. 405.92 lakhs in the year 2013-14. There was reduction in cost of sales because of lower sales during the year along with decrease in other expenses. However there was increase in employee expenses, financial expense and depreciation expense.

***Cost of sales and services***

Our costs of sales and services decreased to Rs. 163.44 lakhs in 2014-15 from Rs. 272.59 lakhs in the year 2013-14. This decrease was due to low procurement expenses towards material costs as the company having lower sales of products.

***Employee expenses***

Expenses incurred on labour and its welfare during the financial year 2014-15 was Rs. 37.83 lakhs and 2013-14 was Rs. 23.78 lakhs. This increase is on account of recruitment of new personnel by our company, giving bonus to the employees and increase in director remuneration.

***Finance cost***

Finance cost during the financial year 2014-15 was Rs. 12.59 lakhs and 2013-14 was Rs. 3.03 lakh. This increase is primarily due to an increase in bank charges, bank interest, interest on loans and taxes.

***Depreciation and amortization expense***

During financial year 2014-15 there has been a major addition of Plant & Machinery and computer and accessories in the assets of the company. This addition has led to an increase in the depreciation provision from Rs.1.11 lakhs in financial year 2013-14 to Rs. 5.10 lakhs in financial year 2014-15.

***Other expenses***

Other miscellaneous expenses incurred by the company during the financial year 2014-15 were Rs. 67.04 lakhs and during 2013-14 were Rs. 105.40 lakh. The decrease was due to decrease in outward freight and transportation expenses, labour charges and various miscellaneous expenses.

***Profit/ (Loss) After Tax***

The PAT for financial year 2014-15 has decreased to Rs. 4.17 lakhs from Rs. 5.03 lakhs in financial year 2013-14, representing a decline in net income of over 17% over the previous year. This was mainly on account of decrease in turnover of the company.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013**

Company was incorporated on 18<sup>th</sup> September, 2012. During the fiscal year 2012-13 company has not done any business activity and hence company has no revenue during that year. So comparison of financial performance fiscal year 2013-14 with 2012-13 is not possible.

***Other Key factors that may affect our results of operation:*****1. Unusual or infrequent events or transactions.**

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**2. Significant economic changes that materially affected or are likely to affect income from continuing Operations.**

Other than as described in the section titled “Risk Factors” beginning on page no. 17 of this Draft Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.**

Other than as described in the section titled “Risk Factors” beginning on page no. 17 of this Draft Prospectus, in our opinion there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**4. Future relationship between Costs and Income.**

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by material suppliers and service vendors.

**5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business and inception of new projects.

**6. Total turnover of each major industry segment in which the Company operated.**

As on date the Company operates in three industry segment i.e. water and waste water treatment; e-waste recycling and industrial piping. The details relating to the same has been mentioned in under Section “*Restated Financial Statements*” and “*Industry Overview*” beginning on page no.213 and 137.

**7. Status of any publicly announced new products or business segment.**

The Company has not announced any new product and segment / scheme, other than through the Draft Prospectus.

**8. Seasonality of business**

Our Company’s business is not seasonal in nature.

**9. Major Suppliers**

The following are the top 5 suppliers for the last financial year ended March 2017:-

Name of the Suppliers	Amount (Rs. In Lakhs)	% of purchase
Astral Polytechnik Limited	122.71	31.51
Torray Chemicals	44.52	11.43
IOCL	66.87	17.17
Jay Water Management Private Limited	12.90	3.31
Expedio Green Water Private Limited	15.47	3.97
<b>TOTAL ( INCLUSIVE OF TAXES)</b>	<b>252.47</b>	<b>67.39</b>

**10. Competitive conditions.**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Business overview*” on page no. 137 of this Draft Prospectus.

## SECTION VII- LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by the Company, its Directors, its Promoters and its Group Companies and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by the Company, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1 Lakhs, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII to the Companies Act, 1956 or Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, its Promoters, its Directors and Group Companies.*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on the Company, its Promoters, its Directors or its Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of the Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters and its Directors or its Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.*

**(A) Outstanding Litigations involving Our Company: NIL****LITIGATIONS****(B) Pending Litigation**

(i) Labour Cases filed against the Company	: NIL
(ii) Labour Cases filed by the Company	: NIL
(iii) Civil Cases filed against the Company	: NIL
(iv) Civil Cases filed by the Company	: NIL
(v) Criminal cases against the company	: NIL
(vi) Criminal cases filed by the company	: NIL
(vii) Notices served on the Company	: 4
(viii) Tax related matters	: NIL

**Following are the details of the notices served on the company**

1. A notice has been issued by the Joint Commissioner of Commercial Tax Department on April 11, 2017, whereby the Company has been called upon to make submissions and present its books of accounts for the financial year 2013-14. Representations have been made by the Company before the Commercial Tax Department. However, the status of the proceeding is not yet known. No demand notice has been issued till date by the Commercial Tax Department against the Company, further to such notice.

2. A Form 302 notice under Section 34(2) of the Gujarat Value Added Tax Act, 2003 by the Commercial Tax Officer has been issued on March 11, 2017. The Company has been called upon to produce its books of accounts from April 1, 2014 to March 31, 2015 to corroborate the tax credit/tax exemption/refund/deduction/concession/rebate of genuineness of declaration in respect of the period April 1, 2014 to March 31, 2015.
3. A notice dated March 11, 2017 has been issued by the Commercial Tax Officer under Rule 9 (4) of the Central Sales Tax (Gujarat) Rules, 1970 and the Central Sales Tax Act, 1956 stating as under:
  - a) that the authority intends to satisfy itself that the returns furnished by the Company in respect of the period April 1, 2014 to March 31, 2015;
  - b) That being a registered dealer, the Company has not furnished the prescribed dates returns in respect of the period April 1, 2014 to March 31, 2015;
  - c) That despite being liable, the Company has failed to apply for registration under Section 7 of the Central Sales Tax Act, 1956;
  - d) That for the period April 1, 2014 to March 31, 2015, income has escaped assessment since, wrong deductions have been made by the Company.

The said proceedings are presently under consideration. However, since no demand notice has been raised by the authorities as on date, it is not possible to arrive at any financial implications on the Company, if any.

4. A notice under Section 143 (2) of the Income Tax Act, 1961 stating that for the assessment year 2015-16, the return of income has been identified for scrutiny. The Company has provided the details sought for by the Income Tax Officer. However, since no demand notice has been raised by the authorities as on date, it is not possible to arrive at any financial implications on the Company, if any.

**(C) Pending litigation- Promoters**

1. There are no criminal case and civil cases filed against our promoters Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah.
2. There are no criminal cases and civil cases filed by our promoters Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah.
3. There are no cases relating to tax matters against or filed by our promoters Mr. Ritesh Vinay Patel and Mr. Sagar Samir Shah.

**(D) Pending litigation- Directors**

1. There are no criminal case and civil cases filed against our director Mrs. Shweta Samir Shah.
2. There are no criminal cases and civil cases filed by our director Mrs. Shweta Samir Shah.
3. There are no cases relating to tax matters against or filed by our director Mrs. Shweta Samir Shah.

**(E) Pending litigation- For Independent Directors**

1. There are no criminal case and civil cases filed against our independent director Mr. Janesh Kundanlal Vyas, Mr. Kashyap Hasmukhlal Shah and Mr. Raxesh Chandravanda Satia.
2. There are no criminal cases and civil cases filed by our independent director Mr. Janesh Kundanlal Vyas, Mr. Kashyap Hasmukhlal Shah and Mr. Raxesh Chandravanda Satia.



3. There are no cases relating to tax matters against or filed by our independent director Mr. Janesh Kundanlal Vyas, Mr. Kashyap Hasmukhlal Shah and Mr. Raxesh Chandravanda Satia.

**(F) Pending litigation- For Our Promoter Groups**

1. There are no criminal case and civil cases filed against our promoter group Mrs. Mayuri Vinay Patel, Vinay Rajnikant Patel, Mr. Samir Shah and Mrs. Charmi Ramani.
2. There are no criminal cases and civil cases filed by our promoter group Mrs. Mayuri Vinay Patel, Vinay Rajnikant Patel, Mr. Samir Shah and Mrs. Charmi Ramani.
3. There are no cases relating to tax matters against or filed by our promoter group Mrs. Mayuri Vinay Patel, Vinay Rajnikant Patel, Mr. Samir Shah and Mrs. Charmi Ramani.

**(G) Pending litigation- Our Group Companies/ Entities**

**1. Felix Colourant Private Limited**

- |  |       |
|--|-------|
| i) Labour Cases filed against the Company  | : NIL |
| ii) Labour Cases filed by the Company      | : NIL |
| iii) Civil Cases filed against the Company | : NIL |
| iv) Civil Cases filed by the Company       | : NIL |
| v) Criminal cases against the company      | : NIL |
| vi) Criminal cases filed by the company    | : NIL |
| vii) Notices served on the Company         | : NIL |
| viii) Tax related matters                  | : NIL |

**2. Felix Nano Synthesis Private Limited**

- |  |       |
|--|-------|
| i) Labour Cases filed against the Company  | : NIL |
| ii) Labour Cases filed by the Company      | : NIL |
| iii) Civil Cases filed against the Company | : NIL |
| iv) Civil Cases filed by the Company       | : NIL |
| v) Criminal cases against the company      | : NIL |
| vi) Criminal cases filed by the company    | : NIL |
| vii) Notices served on the Company         | : 1   |
| viii) Tax related matters                  | : NIL |

**3. Swetsam Stock Holding Private Limited**

- |  |       |
|--|-------|
| i) Labour Cases filed against the Company  | : NIL |
| ii) Labour Cases filed by the Company      | : NIL |
| iii) Civil Cases filed against the Company | : NIL |
| iv) Civil Cases filed by the Company       | : NIL |
| v) Criminal cases against the company      | : NIL |
| vi) Criminal cases filed by the company    | : NIL |
| vii) Notices served on the Company         | : NIL |
| viii) Tax related matters                  | : NIL |

**4. M/s Felix Industries**

i) Labour Cases filed against the Firm	: NIL
ii) Labour Cases filed by the Firm	: NIL
iii) Civil Cases filed against the Firm	: NIL
iv) Civil Cases filed by the Firm	: NIL
v) Criminal cases against the Firm	: NIL
vi) Criminal cases filed by the Firm	: NIL
vii) Notices served on the Firm	: NIL
viii) Tax related matters	: NIL

**5. Seltron Resource Solutions LLP**

ix) Labour Cases filed against the Firm	: NIL
x) Labour Cases filed by the Firm	: NIL
xi) Civil Cases filed against the Firm	: NIL
xii) Civil Cases filed by the Firm	: NIL
xiii) Criminal cases against the Firm	: NIL
xiv) Criminal cases filed by the Firm	: NIL
xv) Notices served on the Firm	: NIL
xvi) Tax related matters	: NIL

Following are the details of the notices served on Felix Nano Synthesis Private Limited:

1. A notice has been issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli on February 22, 2017, whereby the company has been in default for not filing of Balance Sheets and/or Annual Returns for the year ended March 31, 2015 and 2016 and ROC had reasonable cause to believe that contravention of section 92, 96 and 137 of the Companies Act, 2013 has been done.

## MATERIAL DEVELOPMENTS

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page no. 248 of this Draft Prospectus, no material developments or circumstances have arisen since the date of last financial statement till the date of filing this Draft Prospectus, which materially and adversely has affected or is/ are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of our Company.

In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the NSE EMERGE Platform.

## GOVERNMENT AND OTHER APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake the Offer and our current/ proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Offer or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out our business.*

*For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled ‘Key Industry Regulations and Policies’ on page no. 172 of this Draft Prospectus.*

### A) APPROVALS FOR THE ISSUE

#### Corporate Approvals



1. Our Board has pursuant to a resolution passed at its meeting dated on May 15, 2017, under Section 23 and 62(1)(c) of the Companies Act 2013, authorized the Fresh Issue of Equity Shares.
2. Our Shareholders have pursuant to a resolution passed at their meeting dated June 10, 2017 under Section 62(1)(c) of the Companies Act 2013, authorized the Fresh Issue Shares.
3. Our Company has obtained an approval from the NSE Emerge Platform for listing our Equity Shares through the Letter dated [●].

### B) INCORPORATION DETAILS

1. Certificate of Incorporation dated September 18, 2012 under the name of “Felix Industries Private Limited” allotting Corporate Identification Number “U40103GJ2012PTC072005” was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
2. Fresh Certificate of Incorporation dated April 24, 2017 under the name of “Felix Industries Limited” allotting Corporate Identification Number “U40103GJ2012PLC072005” was issued by the Registrar of Companies, Ahmedabad Gujarat, upon name change of the company.
3. The Corporate Identity Number (CIN) of the Company is U40103GJ2012PLC072005.

### C) APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Issuing Authority	Registration / License No.	Nature Of Registration / License	Date Of Registration	Valid Upto
<b>I.</b>	<b>Under Direct and Indirect Laws</b>				
1.	Registration in Income Tax Department	AACCF0545N	Allotment of Permanent Account Number (PAN) in the name of <b>“Felix Industries Limited”</b>	September 18, 2012	Perpetual
2.	Registrar of Companies, Gujarat, Dadra and Nagar Havelli.	CIN: U40103GJ2012PTC072005	Certificate of Incorporation in the name of <b>“Felix Industries Private Limited”</b>	September 18, 2012	-
3.	Registrar of Companies, Ahmedabad, Gujarat,	CIN: U40103GJ2012PLC072005	Certificate of Incorporation in the name of <b>“Felix Industries Limited”</b>	April 24, 2017	-
4.	Income Tax Department, Government of India	AHMF00768F	Allotment of Tax Deduction Account Number (TAN)	October 8, 2012	Perpetual
5.	Commissioner of Commercial tax, Gujarat*	24573406279	Allotment of CST Tax Payer Identification Number (TIN)	May 27, 2013	Perpetual
6.	Commissioner of Commercial tax, Gujarat*	24073406279	Allotment of Gujarat Value Added Number (MVAT)	May 27, 2013	Perpetual
7.	Central Excise Officer, Ahmedabad	AACCF0545NSD001	Allotment of Service Tax Number (ST)	August 16, 2013	Perpetual
8.	Assistant Commissioner, Central Excise, Ahmedabad	AACCF0545NED001	Allotment of Excise Number	June 14, 2013	Perpetual
9.	Foreign Trade Development Officer, Ahmedabad	0815018193	Allotment of importer-exporter code Number	December 22, 2015	Perpetual
10.	Ahmedabad Municipal Corporation	PII/LG/2900003/0172259	Gumasta Dhara Certificate	April 9, 2013	31/12/2021
11.	Trade mark Registry*	2286172 	Trademark under Class 7	February 20, 2012	February 19, 2022
		2286173 	Trademark under Class 42		

Sr. No.	Issuing Authority	Registration / License No.	Nature Of Registration / License	Date Of Registration	Valid Upto
12.	Government of India and Government of Gujarat#	24AACCF0545N1ZO	Provisional Certificate of Registration for GST	June 25, 2017	Perpetual
II.	Industry Related				
11.	Gujarat Pollution Control Board#	CTE NO- 57703	Approval for consent to establish and consolidated consent and authorization	March 30, 2015	Perpetual
12.	TNV Certification UK Limited#	1609070910301	OHSAS 18001: 2007 Certified	September 7, 2016	September 6, 2019
		1609070911501	ROHS Certified		
		1609070910103	ISO 9001: 2015 Certified		
		1609070910201	ISO 14001: 2015 Certified		
13.	Ministry of Environment, Forest and Climate Change#	23-143/2016-HSMD	Permission for export of e-waste (PCBs)	January 18, 2017	October 13, 2017
14.	Ministry of Micro, Small and Medium Enterprises of Government of India	Udyog Aadhar No.- GJ01B0047395	Registration under Micro, Small and Medium Enterprises Act, 2006	February 14, 2017	Perpetual
15.	Employee Provident Fund Organisation*	GJAHD1587175000	Employee Provident Fund code	May 13, 2017	Perpetual

#### D) PENDING APPROVAL

- \*The Company has applied for Name Change pursuant to conversion from Private Limited Company to Public Limited Company and the same is pending with the relevant department.
- #The Company has not applied for Name Change pursuant to conversion from Private Limited Company to Public Limited Company
- The Company is required to obtain Gumasta Dhara Certificate under the Bombay Shops and Establishments Act, 1948 for their premises owned by the Company at Electronic Estate, Gezia, GIDC, Gandhinagar; which the Company has not obtained till date.
- The Registered office of the Company situated at 208, Devshruti Complex, Opposite Medisurge Hospital, Near Mithakali Cross Road, Ellisbridge, Ahmedabad – 380006 is owned by the Promoter, Mr. Ritesh Patel. The Company has received a No Objection Certificate in favour of the Company permitting the Company to use the Premises. As on the date of this Draft Prospectus, the Company has not executed a legally valid and binding Leave and License Agreement.

**E) THE DETAILS OF DOMAIN NAME REGISTERED IN THE NAME OF THE COMPANY IS:-**

Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name and Address	Creation Date	Registration Expiry Date
www.felixindustries.in Domain ID: D6773500-AFIN	Registrar Name: Endurance Domains Technology Pvt. Ltd. (R173-AFIN)	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	25-09- 2012	25-09-2017
www.felixindustries.com Domain ID1657335183_DOMAIN_C OM-VRSN	Registrar Name: PDR Ltd. d/b/a PublicDomainRegistry.co m IANA ID : 303	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	21-05- 2011	21-05-2018
www.felixindustries.co Domain ID: D3002795-CO	Registrar Name: PDR LTD. D/B/A PUBLICDOMAINREGIS TRY.COM) IANA ID : 303	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	28-09- 2010	27-09-2017
www.felixindustries.co.in Domain ID:D6773501-AFIN	Registrar Name: Endurance Domains Technology Pvt. Ltd. (R173-AFIN) IANA ID : 303	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	25-09- 2012	25-09-2017
www.felixnano.co Domain ID:D40210349-CO	Registrar Name: PDR Ltd. d/b/a PublicDomainRegistry.co m IANA ID : 303	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	22-01- 2013	21-01-2018
www.felixnano.in Domain ID:D7016830-AFIN	Registrar Name: Endurance Domains Technology Pvt. Ltd. (R173-AFIN)	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	22-01- 2013	21-01-2018

www.felixnano.co.in Domain ID:D7016829-AFIN	Registrar Name: Endurance Domains Technology Pvt. Ltd. (R173-AFIN)	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	22-01- 2013	22-01-2018
www.felixnano.info Domain ID:D48996483- LRMS	Registrar Name: PDR Ltd. d/b/a PublicDomainRegistry.co m IANA ID : 303	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	22-01- 2013	22-01-2018
www.felixnano.net Domain ID:1775304324_DOMAIN_N ET-VRSN	Registrar Name: PDR Ltd. d/b/a PublicDomainRegistry.co m IANA ID : 303	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	22-01- 2013	22-01-2018
www.felixnano.com Domain ID:1775304323_DOMAIN_C OM-VRSN	Registrar Name: PDR Ltd. d/b/a PublicDomainRegistry.co m IANA ID : 303	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	22-01- 2013	22-01-2018
www.solvextechnology.com Domain ID:1822166437_DOMAIN_C OM-VRSN	Registrar Name: PDR Ltd. d/b/a PublicDomainRegistry.co m IANA ID : 303	Mr. Ritesh Patel 208, Devshruti Complex, Opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad, Gujarat- 380006	17-08- 2013	17-08-2018

## F) INVESTMENT APPROVALS

As per notification number bearing FEMA/20/2000-RB dated May 3, 2000, as amended from time to time, under automatic route of the Reserve Bank, our Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment/transfer of the Equity shares to NRIs/FIIs shall be subject to the prevailing RBI Guidelines.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### ***Authority for the Issue***

1. The Fresh Issue of Equity Shares has been authorized by a resolution by the Board of Directors passed at their meeting held on May 15, 2017.
2. The Fresh Issue of Equity Shares has been authorized by a resolution by the EGM passed at their meeting held on June 10, 2017.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled '***Government and Other Approvals***' beginning on page no. 263 of this Draft Prospectus.

Our Company has received approval from NSE *vide* their letter dated [●] to use the name of NSE in this Draft Prospectus for listing of the Equity Shares on SME Platform of NSE. NSE is the Designated Stock Exchange.

### ***Prohibition by SEBI***

Our Company, Directors, Promoters, members of the Promoter Group and Group Companies or the directors and promoters of our Promoter Companies 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 companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, none of our Directors are or were associated with any entities which are engaged in securities market related business and are or registered with SEBI for the same.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### ***Association with Securities Market***

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

### ***Prohibition by RBI or Governmental authority***

Neither our Company, our Promoters, our Promoter Group, our Group Entities, relatives of our Promoters (as defined under the Companies Act 2013), our Directors and companies with which our Directors are associated as directors or promoters have not been declared as wilful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them except as details provided in the Chapter "***Outstanding Litigations***" beginning on page no. 258 of the Draft Prospectus.

Our Directors have not been declared as defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no such proceedings are pending against our Company or them.

***Eligibility for the Issue***

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106M (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is not more than Ten Crores Rupees and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**”, in this case being the SME Platform of NSE).

We confirm that:

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue is 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 56 of this Draft Prospectus.
2. In accordance with Regulation 106R of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the Issue is not less than fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within 7 (seven) days from the date our Company becomes liable to repay it, than our Company and every officer in default shall, on and from expiry of 7 (seven) days, be liable to repay such application money, with interest as prescribed under the Companies Act, 2013.
3. In accordance with Regulation 106O the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Draft Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106V of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in the Issue. For further details of the arrangement of market making please refer to paragraph titled ‘**Details of the Market Making Arrangement for the Issue**’ under chapter titled ‘**General Information**’ on page no. 56 of this Draft Prospectus.

***We further confirm that, we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.***

As per Regulation 106M (3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Regulation 49(1) of SEBI (ICDR) Regulations, 2009 shall not apply to us in the Issue.

**NSE Eligibility Norms:**

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on NSE Emerge Platform which states as follows:

**1. The company is incorporated under the Companies Act, 1956.**

Our Company was originally incorporated as “Felix Industries Private Limited” on September 18, 2012 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company was subsequently converted in to a public company and consequently name was changed to “Felix Industries Limited” (FIL) vide fresh certificate of incorporation dated April 24, 2017 issued by Registrar of Companies, Ahmedabad, Gujarat. The CIN of the Company is U40103GJ2012PLC072005.

**2. The post issue paid up capital of the company shall not be more than Rs. 25 Crore.**

The Post issue paid up capital of the company will be 50,90,000 shares of face value of Rs.10/- aggregating to Rs. 5.09 Crores which is less than Rs. 25 Crore.

**3. The Company should have track record of atleast 3 years.**

The Company confirms that it has track record of atleast 3 years.

**4. The company should have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth is positive.**

Our Company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application viz. for the F.Y 2015-16 and 2016-17 and its net-worth as on March 31, 2017 is positive.

**5. Other Requirements:****a. The post-issue paid up capital of the company shall be at least Rs. 3 Crores.**

As per the restated financial statements as at for the period ended March 31, 2017, our Company has a paid up capital of Rs. 372.5 Lakhs, and the Post Issue Capital shall be Rs. 509 Lakhs which is in excess of Rs. 3.00 Crores.

**b. Companies shall mandatorily have a website.**

Our Company has a live and operational website: [www.felixindustries.co](http://www.felixindustries.co)

**c. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

Our Company has entered into tripartite agreements dated June 29, 2017 with CDSL and dated July 13, 2017 with NSDL along with our Registrar and Share Transfer Agent for facilitating trading in dematerialized mode. Also the Equity Shares allotted through the Issue will be in dematerialized mode.

**6. Certificate from the applicant company / promoting companies stating the following:**

- a. *The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).*

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

- b. *There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.*

There is no winding up petition against our Company, which has been admitted by the court. Also, no liquidator has been appointed.

- c. *No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.*

No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

- d. *No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.*

Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

***We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE.***

***Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations***

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations 2009. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, MONARCH NETWORK CAPITAL LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT**

INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER, MONARCH NETWORK CAPITAL LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, MONARCH NETWORK CAPITAL LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 28, 2016 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER 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 IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE
- 2 ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE AS SUBMITTED BY THE COMPANY;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 / 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3 WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- 4 WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
- 5 WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE

**DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**

- 6 WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
- 7 WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE AS THE PROMOTERS CONTRIBUTION HAS ALREADY BEEN DEPLOYED.**
- 8 WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9 WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. –NOTED FOR COMPLIANCE- AS PER TRI-PARTITE AGREEMENT WITH BANKERS TO THE ISSUE.**
- 10 WE CERTIFY THAT ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.**
- 11 WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12 WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**

- A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
- B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13 WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 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 ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15 WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16 WE ENCLOSE STATEMENT ON “PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE”), AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2017.
- 17 WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- 1 WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- 2 WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. **NOTED FOR COMPLIANCE**
- 3 WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF



**CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - NOTED FOR COMPLIANCE**

- 4 WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. - NOTED FOR COMPLIANCE**
- 5 WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. - NOT APPLICABLE**
- 6 WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE. NOTED FOR COMPLIANCE**

**NOTE:**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER 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 LEAD MERCHANT BANKER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT PROSPECTUS.**

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Ahmedabad. The filing of the Draft Prospectus does not, however, absolve our company from any liabilities under section 34, Section 35, Section 36 and section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Draft Prospectus.*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Mumbai in terms of sections 26 and 32 of the Companies Act, 2013.*

**DISCLAIMER CLAUSE OF THE NSE EMERGE PLATFORM**

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 [●] permission to the 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 draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company.

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 Company'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 Company, its Promoter, its management or any scheme or project of this Company.



Every person who desires to apply for or otherwise acquire 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 any other reason whatsoever.

## DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.felixindustries.co](http://www.felixindustries.co) would be doing so at his or her own risk.

## CAUTION

We the Lead Manager/Merchant Bankers, *Monarch Networth Capital Limited*, have taken reasonable and due care and have primarily verified the documents submitted by the Company, Promoters as well as collaborated the same with the Auditors, public records to establish reasonable certainties as to the statement made by the Promoters / directors to prepare this document as required by Securities and Exchange Board of India (SEBI) and Company Law.

The Lead Manager, *Monarch Networth Capital Limited*, does not in any way vouch about the future performance of the company and investors is advised to obtain independent financial advice for his decisions.

The Lead Manager, *Monarch Networth Capital Limited*, accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the Lead Manager and our Company dated July 04, 2017 the Underwriting Agreement dated July 05, 2017 entered into among the Underwriter and our Company and the Market Making Agreement dated July 06, 2017 entered into among the Market Maker and our Company.

Our Company, our Directors and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation. *Monarch Networth Capital Limited* is not an 'associate' of the company and is eligible to act as Lead Manager in this issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

## **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to 'Annexure A' to this Draft Prospectus and the website of the Lead Manager at [www.mnclgroup.com](http://www.mnclgroup.com)

## **DISCLAIMER IN RESPECT OF JURISDICTION**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company, this Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus 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 only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "US Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the US Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the US Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the US Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the

Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### ***Filing***

The Draft Prospectus/ Prospectus are being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

A copy of this Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, SEBI Western Regional Office, SEBI Unit No. 002, Ground Floor SAKAR I near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad-380009, Gujarat for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013, will be delivered to the RoC situated at RoC Bhavan, Opp Rupal Park Society, Behind Ankur BusStop, Naranpura, Ahmedabad- 380013.

### ***Listing***

Our company has obtained approval from NSE vide letter dated [●] to use name of NSE-EMERGE Platform in this offer document for listing of equity shares on NSE-EMERGE Platform.

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining Inprinciple approval from NSE-EMERGE Platform. However, applications will be made to the NSE-EMERGE Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE-EMERGE Platform is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE EMERGE Platform, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within Eight days after our Company becomes liable to repay it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE-EMERGE Platform mentioned above are taken within Six Working Days from the Issue Closing Date.

### ***Impersonation***

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who –

- a. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- b. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

- c. otherwise induces directly or indirectly a company to allot or register any transfer of securities to him, or to any other person in a fictitious name

Shall be liable to action under section 447 of the Companies Act, 2013.

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, 249 such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### ***Consents***

We have obtained consents in writing of our Directors, Promoters, Company Secretary & Compliance Officer, the Lead Manager, Registrar to the Issue, Peer Reviewed Auditor to the Company, the Statutory Auditor, the Legal Advisor to the Issue and Banker(s) to the Company. We will obtain consents in writing of the Market Maker(s), Underwriter(s), and the Banker(s) to the Issue/ Escrow Collection Bank(s) to act in their respective capacities. These consents will be filed along with a copy of the Draft Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act, 1956 and Section 32 of the Companies Act, 2013. Further, such consent and report will not be withdrawn up to the time of delivery of the Draft Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2009, M/s S.N. Shah & Associates., Chartered Accountants, our Statutory Auditors have agreed to provide their respective written consents for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in this Draft Prospectus in the form and context in which they appear in this Draft Prospectus.

### ***Expert Opinion To The Issue***

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

Our Company has received consent from the Statutory Auditor of the Company to include their name as an expert as per Section 26 of the Companies Act 2013 in this Draft Prospectus in relation to the (a) Auditors' reports on the restated financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

### ***Issue Related Expenses***

The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. For details of total expenses of the Issue, see the chapter "Objects of the Issue" beginning on page no. 84 of the Draft Prospectus.

### ***Details Of Fees Payable***

#### ***Fees Payable to the Lead Manager***

The total fees payable to the Lead Manager will be as per the Issue Agreement dated July 04, 2017 has been executed between our Company and the Lead Manager, a copy of which is available for inspection at our Registered Office.

***Underwriting Commission, Brokerage and Selling Commission***

The underwriting and selling commission for the Issue is as set out in the Underwriting Agreement dated July 05, 2017 between our Company, the Lead Manager, Market Maker and Underwriter, a copy of which is available for inspection at our Registered Office. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

***Fees Payable to the Market Maker(s)***

The fees payable to the Market Maker(s) to the Issue will be as per the Market Making Agreement dated July 06, 2017 between our Company, Lead Manager and Market Maker, a copy of which is available for inspection at our Registered Office.

***Fees Payable to the Registrar to the Issue***

The fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding dated July 05, 2017 executed between our Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp-duty and communication expenses. Adequate funds will be provided by our Company to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

***Fees Payable to Others***

The total fees payable to the Legal Advisor, Auditor, and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

***Previous Rights And Public Issues During The Last Five Years***

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2009, amended from time to time and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2009, amended from time to time.

***Companies Under The Same Management***

No Company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act 1956 / Section 186 of the Companies Act, 2013, has made any public issue (including any rights issues to the public) during the last three (3) years.

***Previous Issues Of Shares Otherwise Than For Cash***

Except as stated in the chapter titled ‘*Capital Structure*’ beginning on page 64 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

***Commission And/ Or Brokerage On Previous Issues***

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since inception.

***Particulars in regard to our company and other listed companies under the same management within the meaning of section 370 (1) (b) of the companies act, 1956 / section 186 of the companies act, 2013 which made any capital issue during the last three years:***

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

***Promise Versus Performance For Our Company***

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2009, and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2009. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Companies has made public issue of equity shares during the period of ten years immediately preceding the date of filing this Draft Prospectus with the NSE.

***Outstanding Debentures, Bonds, Redeemable Preference Shares And Other Instruments Issued By Our Company***

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

***Option To Subscribe***

Equity Shares being offered through the Draft Prospectus shall be applied for in dematerialized form only.

***Stock Market Data For Our Equity Shares***

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2009, and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2009. Thus there is no stock market data available for the Equity Shares of our Company.

***Mechanism For Redressal Of Investor Grievances***

The Company has appointed ***Bigshare Services Pvt. Ltd.*** as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

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

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be fifteen business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Memorandum of Understanding between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of Allotment and demat credit to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicants.

### ***Disposal Of Investor Grievances By Our Company***

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 15 (Fifteen) Working Days from the date of receipt of the complaint. In case of non- routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on May 15, 2017. For further details, please refer to the chapter titled '***Our Management***' beginning on page no. 181 of this Draft Prospectus.

Our Company has appointed Ms. Hena Shah as the Company Secretary and Compliance Officer and she may be contacted at the following address:

**Ms. Hena Shah**  
**Company Secretary & Compliance Officer**  
**Felix Industries Limited**  
 208, Devshruti complex, Opp. Medisurge Hospital,  
 Nr. Mithakali Cross Road, Ellisbridge,  
 Ahmedabad- 380006, India;  
 Tel. No.: +91 79 26463658/26463659;  
 Email: info@felixindustries.co;  
 Website: www.felixindustries.co

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account *etc.*

### ***Changes In Auditors During The Last Three Financial Years***

M/s. S.J. Pathak & Co., Chartered Accountants were the Statutory Auditor for the financial year ending 31<sup>st</sup> March 2015. M/s. Shailesh & Co., Chartered Accountants were the Statutory Auditor for the financial year ending 31<sup>st</sup> March 2016 and M/s. S.N. Shah & Associates, Chartered Accountants were the Statutory Auditor for the financial year ended 31<sup>st</sup> March 2017.

### ***Capitalization Of Reserves Or Profits***

Save and except as stated in the chapter titled '***Capital Structure***' beginning on page no. 64 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

### ***Revaluation Of Assets***

Our Company has not revalued its assets since incorporation.



## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 1956 and Companies Act, 2013, SEBI (ICDR) Regulations, 2009 and amendments thereto, our Memorandum and Articles of Association, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, the Listing Regulations to be entered into with the SME Exchange 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, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated 10<sup>th</sup> November, 2015. All the investors applying in a public issue shall use only Application Supported by blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and DP's have been also authorized to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### **Authority for the Issue**

The Fresh Issue of Equity Shares has been authorized by a resolution by the Board of Directors passed at their meeting held on May 15, 2017 and was approved by the Shareholders of the Company by a resolution by the EGM passed at their meeting held on June 10, 2017, in accordance with the provisions of Section 23 and Section 62 (1)(c) of Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 1956 and Companies Act, 2013 and the Memorandum and Articles of Association of our Company and shall rank *pari-passu* with the existing equity shares of our Company including rights in respect of dividend. The Allottee's in receipt of Allotment of Equity Shares under the Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment.

For further details, please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 348 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled "**Dividend Policy**" on page no. 212 of this Draft Prospectus.



### ***Face Value and Issue Price per Share***

The face value of the Equity Shares is Rs. 10/- each and the Issue Price is Rs. 35/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled '***Basis for Issue Price***' beginning on page no. 96 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

### ***Compliance with SEBI ICDR Regulations***

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2009. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### ***Rights of the Equity Shareholders***

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing regulations with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled '***Main Provisions of the Articles of Association***' beginning on page no. 348 of this Draft Prospectus.

### ***Minimum Application Value, Market Lot and Trading Lot***

As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the depositories act, 1996 and the regulations made there under, thus, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and Allotment of Equity Shares through the Issue will be done in multiples of 4,000 Equity Share subject to a minimum Allotment of 4,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and Allotment of Equity Shares through the Issue will be done in multiples of 4,000 Equity Share subject to a minimum Allotment of 4,000 Equity Shares to the successful applicants.

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into an agreement dated June 29, 2017 with Central Depository Services (India) Limited and dated July 13, 2017 with the National Securities Depository Limited and Registrar of the Company.

The Company's shares bear an ISN No. INE901X01013.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### ***Minimum Number of Allottee's***

The minimum number of Allottee's in the Issue shall be 50 (Fifty) shareholders. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to the Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

### ***Jurisdiction***

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Ahmedabad. The Equity Shares have not been and will not be registered under the US Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the US Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the US Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

### ***Nomination Facility to Investor***

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Since the Allotment of Equity Shares in the Issue 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 investor wants to change the nomination, they are requested to inform their respective depository participant.**

***Issue Program:***

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

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

Applications and revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches, except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

*The above information is given for the benefit of the Applicants. The applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

***Minimum Subscription***

In terms of the SEBI (ICDR) Regulations, 2009, the requirement for minimum subscription is not applicable to the Issue.

***If the issuer does not receive the subscription of 100% of the Issue through this Draft Prospectus including devolvement of Underwriters within sixty days from the date of closure of the Issue, the issuer shall forthwith***

***refund the entire subscription amount received. If there is a delay beyond seven days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 73 of the Companies Act, 1956 and Section 39 and 40 of the Companies Act, 2013.***

*In accordance with Regulation 106P (1) of the SEBI (ICDR) Regulations, 2009, the Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Prospectus and shall not be restricted to the minimum subscription level.*

*Further, in accordance with Regulation 106R of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum number of Allottee's in the Issue shall be 50 (Fifty) shareholders and the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to the Issue and the monies collected shall be refunded within 15 days of closure of the Issue.*

*Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### ***Migration to Main Board***

Our Company may migrate to the main board of NSE from the SME Platform on a later date subject to the following:

1. If the post issue face value capital of the Company is more than ten crore rupees and upto twenty five crore rupees, the company may migrate its specified securities to Main Board if the shareholders approve such migration by passing a special resolution through postal ballot to this effect and if Company fulfils the eligibility criteria for listing laid down by the Main Board:  
Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.
2. Where the post issue face value capital of the Company is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its specified securities listed on SME exchange to Main Board and seek listing of specified securities proposed to be issued on the Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board:

Provided that no further issue of capital by the Company shall be made unless –

- a) the shareholders of the Company have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;
- b) the Company has obtained in- principle approval from the Main Board for listing of its entire specified securities on it.

### ***Market Making***

The Equity Shares offered through the Issue are proposed to be listed on the SME Platform of NSE, wherein the Lead Manager to the Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered through this . For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to paragraph titled 'Details of the Market Making Arrangement for the Issue' under chapter titled '**General Information**' beginning on page no. 56 of this Draft Prospectus.

In accordance, with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it was decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

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

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

Further, the Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed reentry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### ***Arrangements for Disposal of Odd Lots***

The trading of the Equity Shares will happen in the minimum contract size of 4,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE Emerge Platform.

### ***As per the extant policy of the Government of India, OCBs cannot participate in this Issue.***

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO.

However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Option to receive Equity Shares in Dematerialized Form**

As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories Act, 1996 and the regulations made there under, thus, the investors should note that Allotment of Equity Shares to all successful applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

***New Financial Instruments***

The Issuer Company is not issuing any new financial instruments through the Issue.

***Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs***

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

***Restrictions, if any on Transfer and Transmission of Equity Shares***

Except for lock-in of the pre-issue Equity Shares and Promoters' minimum contribution in the issue as detailed in the chapter '**Capital Structure**' beginning on page 64 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association.

For details please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 348 of this Draft Prospectus.

## ISSUE STRUCTURE

*This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital does not exceed ten crore rupees, shall issue shares to the public and propose to list the same on the NSE Exchange ('NSE Exchange', in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an Issue please refer to the chapters titled 'Terms of the Issue' and 'Issue Procedure' beginning on page 283 and 292 of this Draft Prospectus. The Issue is being made by way of Fixed Price method.*

Particulars	Net Issue to Public <sup>^</sup>	Market Maker Reservation Portion
<b>Number of Equity Shares*</b>	12,96,000 Equity Shares	69,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.95% of the Issue Size  25.46% of the Post Issue Paid up Capital	5.05% of the Issue Size  1.35% of the Post Issue Paid up Capital
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum Allotment of 4,000 Equity Shares and further Allotment in multiples of 4,000 Equity Shares each.  For further details please refer to the paragraph titled ' <i>Basis of Allotment</i> ' on page no. 307 of this Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	<i>For QIB and NII:</i> All Applicants must compulsorily apply through ASBA Process (online or the physical form)  <i>For Retail Individuals:</i> Retail Individual Applicants may apply through the ASBA or the Physical Form.	Through ASBA mode
<b>Minimum Application Size</b>	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000  <i>For Retail Individuals:</i> 4,000 Equity Shares	69,000 Equity Shares
<b>Maximum Bid</b>	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Size does not exceed 12,96,000 Equity Shares, i.e., Rs. 477.75 Lakhs  <i>For Retail Individuals:</i> 4,000 Equity Shares so that the Application Value does not exceed Rs. 2,00,000	69,000 Equity Shares
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
<b>Trading Lot</b>	4,000 Equity Shares	4,000 Equity Shares; However the Market



Particulars	Net Issue to Public <sup>^</sup>	Market Maker Reservation Portion
		Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
<b>Terms of payment</b>	<p>Entire Application Amount shall be payable at the time of submission of Application Form.</p> <p>The Applicants shall have sufficient balance in the ASBA Account at the time of submitting application and the amount will be blocked anytime within two days of the closure of the Issue.</p>	

<sup>^</sup>50 % of the Equity Shares offered in the Net Issue to Public portion are reserved for applications whose value is below Rs. 2,00,000 and the balance 50 % of the Equity Shares are reserved for applications whose value is above Rs. 2,00,000.

### ***Withdrawal of the Issue***

In accordance with the SEBI (ICDR) Regulations, 2009, our Company, in consultation with Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI (ICDR) Regulations, 2009, QIB and NII Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

### **Issue Program:**

<b>Issue Opening Date</b>	[●]
<b>Issue Closing Date</b>	[●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	[●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds</b>	[●]
<b>Credit of Equity Shares to demat accounts of Allottees</b>	[●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	[●]

Applications and revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches, except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## ISSUE PROCEDURE

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (General Information Document) included below under section “Part B- General Information Document” ,which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the SEBI (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and the Prospectus.*

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.*

### **Fixed Price Procedure**

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. **However, if the aggregate demand from the non retail portion offered to investors including QIBs and NIIs Applicants is less than 50%, then the balance Equity Shares in that portion will be added to Retail Individual and vice-versa subject to valid Applications being received from them at or above the Issue Price.**

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Self Certified Syndicate banks (SCSBs), Syndicate Members, Registered brokers of Stock Exchange, Registrar to an Issue and Share Transfer Agents (RTAs) and Depository Participant (DPs) that are registered with SEBI (hereinafter referred to as Intermediaries), who shall duly submit them to the Registrar to the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, the investors may get the equity shares rematerialized subsequent to allotment.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

### ***Application Form***

*In accordance with Regulation 58 of SEBI ICDR Regulation, 2009 (as amended) and SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, SEBI had with effect from 1<sup>st</sup> January, 2016, made it mandatory for all the Investors applying in a public issue to use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

The prescribed color of the Application Form for various investors applying in the Issue is as follows:

Category	Color
Resident Indians and Eligible applying on a non-repatriation basis (ASBA)	White
Non-Residents and Eligible NRI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Draft Prospectus. The Application Form shall contain information about the Applicant and the price and the number of equity shares that the applicants wish to apply for. Application forms downloaded and printed from the websites of the stock exchanges shall bear a system generated unique application number. The ASBA Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount that can be blocked by the SCSBs at the time of submitting the Application Form.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- (i) an SCSB, with whom the bank account to be blocked, is maintained.
- (ii) a syndicate member( or sub-syndicate member),
- (iii) a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker"),
- (iv) a depository participant ('DP') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),
- (v) a registrar to an issue and share transfer agent ('RTA') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSBs:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking the funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to the designated branches of the respective SCSBs for blocking of the funds within one day of the closure of Issue.

### ***Availability of Prospectus and Application Forms***

The Memorandum Form 2A containing the salient features of the together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited, i.e. [www.nseindia.com](http://www.nseindia.com)

### ***Who can apply?***

1. Indian nationals resident in India who are not minors, or in the name of the minor children as natural/ legal guardian in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in Equity Shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
6. Indian Financial Institutions, schedule commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations, the SEBI (ICDR) Regulations and other regulations, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than Category III Foreign Portfolio Investor.
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Applicants portion;
9. Venture Capital Funds(VCFs) registered with SEBI;
10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Multilateral and bilateral development financial institutions;
13. State Industrial Development Corporations;
14. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in Equity

Shares;

15. Scientific and/or industrial research organizations authorized to invest in Equity Shares;
16. Insurance Companies registered with Insurance Regulatory and Development Authority;
17. Provident Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
18. Pension Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
19. National Investment Fund set up by resolution No. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.
20. Nominated Investor and Market Maker;
21. Insurance funds set up and managed by the army, navy or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, India;
22. Limited Liability Partnerships registered in India and authorized to invest in equity shares and;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them under Indian laws.
24. Eligible QIBs and QFI's (subject to compliance with RBI circular bearing reference RBI/2011-12/347 dated January 13, 2012 and SEBI circular bearing reference CIR/ IMD/FII&C/3/2012 dated January 13, 2012) under the Non-Institutional Bidders category.

As per existing policy of the Government of India, OCBs cannot participate in the Issue.

### ***Applications not to be made by:***

- 1 Minors
- 2 Partnership firms or their nominations.
- 3 Foreign Nationals (except NRIs).
- 4 Overseas Corporate Bodies

### ***Maximum and Minimum Application Size***

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 4000 Equity Shares and in multiples of 4000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2, 00,000.

#### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 4000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LMs may deem fit.

***The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

### ***Option To Subscribe In The Issue***

- (a) As per Section 29 (1) of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the depositories act, 1996 and the regulations made there under, thus, the investors should note that Allotment of Equity Shares to all successful applicants will only be in the dematerialized form.
- (b) The Equity Shares, on Allotment, shall be traded on stock exchange in demat segment only.
- (c) A single application from any investor shall not exceed the investment limit/ minimum number of specified securities that can be held by him/her/ it under the relevant regulations/ statutory guidelines and applicable laws.

### ***Participation By Associated/Affiliates Of Lead Manager And Syndicate Members***

Except for the Underwriting Obligations, the Lead Manager and the Syndicate Members, if any shall not be allowed to subscribe to the Issue in any manner. However, associates and affiliates of the Lead Manager and Syndicate Members, if any, may subscribe to or purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### ***Application By Indian Public Including Eligible NRIs Applying On Non Repatriation***

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

### ***Applications By Eligible NRIs/FII's/FPIs On Repatriation Basis***

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and

conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of Issue of shares for Allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the Issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a. A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b. Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
    - iv. Any other transaction specified by the Board.
  - c. No transaction on the stock exchange shall be carried forward;



- d. The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
  - i. Transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - viii. Any other transaction specified by Board.

- e. A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, and be held in non-dematerialized form, if such shares cannot be dematerialized. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

4. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign governments and where such agreements or treats specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard. No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
8. Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority'
9. Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to offshore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provision of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Offer.

### ***Applications By Sebi Registered Venture Capital Funds, Alternative Investment Funds And Foreign Venture Capital Investors***

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs. The holding by any individual VCF registered with SEBI in one venture



capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

### ***Application By Mutual Funds***

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights. With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reasons thereof.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made. With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

### ***Applications By Limited Liability Partnerships***

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

### ***Applications By Insurance Companies***

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended, are broadly set forth below:

- (a) equity shares of a company: 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of life insurance or 10% of investment assets in case of general insurance business/ Re-insurance business/ Health Insurance business; whichever is lower.
- (b) the entire group of the investee company: Not more than 15% of the respective fund in case of a life insurance business or a general insurance or reinsurance or health insurance and not more than 5% of investment asset in all companies belonging to the Promoter group; and
- (c) The industry sector in which the investee company belongs: Not more than 15 % of the respective fund in case of a life insurance business or a general insurance or reinsurance or health insurance.

### ***Applications Under Power Of Attorney***

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, MFs, Insurance Companies, Provident Funds, Pension Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, FPIs, VCFs, FVCIs, 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 their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds and pension funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

### ***Application By Provident Funds/Pension Funds***

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in the Draft Prospectus.

### ***Issue Procedure For ASBA (Application Supported By Blocked Account) Applicants***

*This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.*

*The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.*

### ***Information for the Applicants:***

1. Our Company will file the Prospectus with the RoC at least 3 (three) Days before the Issue Opening Date.
2. The LMs will circulate copies of the Prospectus along with the Application Form to potential investors.
3. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LMs.
4. Applications made in the Name of Minors and/or their nominees shall not be accepted.
5. Applicants who are interested in subscribing to the Equity shares should approach SCSBs to register their applications.
6. Application should be submitted in the prescribed application form only. Applications forms submitted to the Bankers to the Issue should bear the stamp of the Broker. Application forms submitted directly to SCSBs should bear the stamp of SCSBs and/or designated branch. Application forms submitted by the applicant whose beneficiary account is inactive shall be rejected.
7. The Application form can be submitted either in electronic or physical mode to the SCSBs with whom the ASBA account is maintained. SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA account.
8. ASBA applicants applying directly through the SCSBs should ensure that the application form is submitted to the designated branch of SCSB, where the ASBA account is maintained. For ASBA applications submitted directly to SCSB, the relevant SCSB shall block an amount in the ASBA account equal to application amount specified in application forms, before entering the ASBA application into the electronic system.
9. The applicants may note that incase the PAN, DP ID, Client ID mentioned in the application form and entered into the electronic collecting system of the stock exchange by the Bankers to the Issue or SCSBs, do not match with the Pan, DP ID, Client ID available in the depository database, the application form is liable to be rejected.

10. Investors should note that providing bank account details in the space provided in the Application form is mandatory and applications that do not contain such details are liable to be rejected.

### ***Method And Process Of Applying For The Issue***

- 1) Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.
- 2) *In accordance with the SEBI circular no.-CIR/CFD/POLICYCELL/11/2015 dated 10<sup>th</sup> November, 2015 all the Applicants have to compulsorily apply through the ASBA Process.*
- 3) The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>.
- 4) All Applicants shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.
- 5) Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:
  - a) an SCSB, with whom the bank account to be blocked, is maintained.
  - b) a syndicate member( or sub-syndicate member),
  - c) a stock broker registered with a recognized stock exchange(and whose name is mentioned on the website of the stock exchange as eligible for this activity)(“broker”),
  - d) a depository participant (‘DP’) (and whose name is mentioned on the website of the stock exchange as eligible for this activity),
  - e) a registrar to an issue and share transfer agent(‘RTA’)(and whose name is mentioned on the website of the stock exchange as eligible for this activity),
- 6) The Issue Period may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. The Issue period may be extended, if required, by an additional three working days, subject to the total issue period not exceeding 10 working days.
- 7) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.
- 8) The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange and post that blocking of funds will be done by as given below:

For applications submitted by investors to SCSBs:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking the funds available in the bank account specified in the form, to the extent of the application money specified.
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For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to the designated branches of the respective SCSBs for blocking of the funds within one day of the closure of Issue.
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- 9) 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.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.
- 14) Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.
- 15) In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

### ***Mode of Payment***

The entire Issue Price of Rs. 35/- per Equity Share is payable on application. In case of Allotment of lesser number of Equity Shares than the number applied, the SCSBs shall unblock the excess amount paid on Application as per the instruction received by the Registrar to the Public Issue Bank Account.

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, cheque, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, cheque, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Pursuant to SEBI circular no.-CIR/CFD/POLICYCELL/11/2015 dated 10<sup>th</sup> November, 2015 all the Applicants have to compulsorily apply through the ASBA Mode only.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### ***Instructions For Completing The Application Form***

In Addition to the instructions for completing the application form as mentioned under Part B of General Information Document for Investing in Public Issues- Instructions for Filing the Application Form (Fixed Price Issue), the following instruction should be noted by the Applicants:

- 1) The Applications should be submitted on the prescribed Application Form in BLOCK LETTERS and in ENGLISH only, in accordance with the instructions contained herein and in the Application Form. Applications not so made, are liable to be rejected.
- 2) ASBA Application Forms should bear the stamp of the Application Collecting Intermediaries or SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.
- 3) Pursuant to SEBI circular no.-CIR/CFD/POLICYCELL/11/2015 dated 10<sup>th</sup> November, 2015 all the Applicants have to compulsorily apply through the ASBA Mode only.

### ***Electronic Registration Of Applications***

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will take modification of selected fields in the application details already uploaded before 1:00 p.m. of the next working day from the Issue Closing Date.
3. The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by



them, (iii) the applications accepted by not uploaded by them, or (iv) in case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amount in the ASBA Accounts. In case the application accepted and uploaded by SCSBs, the SCSBs or the designated branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA accounts.

4. Neither the Lead Manager nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by the Application Collecting Intermediaries, (ii) the applications uploaded by the Application Collecting Intermediaries, (iii) the applications accepted by not uploaded by the Application Collecting Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the the Application Collecting Intermediaries and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Application Collecting Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data into the online facilities on a regular basis. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to the applications by the Applicants, at the time of registering such applications, Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the online system:
  - Name of the Applicants,
  - IPO Name,
  - Application Form Number,
  - Investor Category,
  - PAN No.(of the First Applicants, if more than one Applicant),
  - DP ID of the demat account of the Applicant,
  - Client Identification Number of the demat account of the Applicant,
  - Number of Equity Shares applied for,
  - Location of the Banker to the Issue or Designated Branch as applicable, and bank code of the SCSB branch where the ASBA Account is maintained, and
  - Bank Account Number.
7. In case of submission of the application by an applicant through the electronic mode, the applicant shall complete the above mentioned details and mention the bank account number, except the electronic application form number which shall be system generated.
8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the application by the Application Collecting Intermediaries does not guarantee that the equity shares shall be allocated/ allotted either by our Company.
9. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non-Retail Applicant and Retails Individual Applicant, applications would not be rejected except on the technical grounds as mentioned in the B of General Information Document for Investing in Public

Issues-Issue Procedure In Fixed Price Issue. The Application Collecting Intermediaries shall have no rights to reject applications, except on technical grounds.

11. The permission given by the stock exchanges to use their network and software of the Online IPO System should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our company and/or the Lead Manger are cleared or approved by the stock exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company, our promoters, our management or any scheme or project of our company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any the contents of this Prospectus , nor does it warrant that the equity shares will be listed or will continue to be listed on the stock exchanges.
12. The Application Collecting Intermediaries will be given time till 1:00 P.M. on the next working day after the Issue closing period, after which the registrar to the issue will receive this data from the no corresponding record is available with the Depositories, which matched the three parameters namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The details uploaded in the online IPO System shall be considered as final and allotment will be based on such details for ASBA applications.

### ***Basis of Allotment***

Allotment will be made in consultation with SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. The total number of Shares to be allocated to retail Individual Investors shall be minimum 4000 Equity Shares at an Issue prices of Rs. 35 each and thereafter such number of Equity Shares in multiples of 4000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/- .
4. The total number of Shares to be allocated to other than retail Individual Investors shall be minimum 8000 Equity Shares at an Issue prices of Rs. 35 each and thereafter such number of Equity Shares in multiples of 4000 Equity Shares such that the Application Value exceed Rs. 2,00,000/- subject to limits the investor has to adhere under the relevant laws and regulations applicable.
5. For applications where the proportionate allotment works out to less than 4000 Equity Shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 1000 Equity Shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2)above.
6. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4,000 Equity Shares subject to a minimum allotment of 4,000 Equity Shares.



7. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
8. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:  
As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' is the net offer to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to
    - (i) Individual applicants other than retail individual investors; and
    - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be made available for allocation to the applicants in the other category, if so required.

*If the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director / Managing Director of the SME Platform of NSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

### ***Allocation of Equity Shares***

1. The issue is being made through the Fixed Price Process wherein 69,000 Equity shares shall be reserved for Market maker. 6,48,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from retail Individual Applicants at the Issue Price. The balance of the net issue will be available for allocation on a proportionate basis to Non Retail Applicants.
2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the company on consultation with the Lead Managers and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable laws, rules, regulations, guidelines and approvals.
4. In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

### ***Designated Date and Allotment of Equity Shares***

On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 6 Working Days of the Issue Closing Date.

In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees.

Allottees will have the option to re-materialize the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act. However, trading in the Equity shares of the Company shall be done only in dematerialized form.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.

### ***Issuance of Allotment Advice***

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.

Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Applicant.

### ***Instructions for Completing the Application Form***

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's/RTA/DP/Stock Brokers. ASBA Application Forms, which do not bear the stamp of the SCSB/RTA/DP/Stock Brokers, will be rejected.

The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). The list of SCSB and RTA is available on the websites of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).

### ***Applicant's Depository Account and Bank Details***

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. Hence, Applicants are advised to immediately update their details as appearing on the records of the depository participant. Please note that failure to do so could result in non receipt of any correspondence to

Applicants at the Applicants sole risk and neither the LMs or the Registrar or the Bankers to the Issue or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### ***Submission of Application Forms***

All Application forms duly completed shall be submitted to the designated branches of the SCSBs at the time of submission of application. No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the application forms by stamping and returning to the applicant the acknowledgement slip. This acknowledgement slip will serve as a duplicate of the Application form for the record of applicant.

## **OTHER INSTRUCTIONS**

### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications:

- i) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- iii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central

or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

### ***Permanent Account Number or PAN***

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that, Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants’ verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

### ***Signing of Underwriting Agreement***

This issue is 100 % Underwritten. The Company has entered into Underwriting agreement dated July 05, 2017 with Monarch Network Capital Limited.

### ***Filing of the Prospectus with the RoC***

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013.

### ***Pre-Issue Advertisement***

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Regional newspaper with wide circulation.

### ***General Instructions***

The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### ***Do's:***

- **All Applications have to compulsorily made through the ASBA mode only.**
- Check if you are eligible to apply;
- Ensure that you have applied at the Issue Price;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about the PAN, Depository Participant and the beneficiary account are correct and the Applicant's Depository Account is active as Allotment of Equity Shares will be in the dematerialised form only;
- Ensure that the applications are submitted at the collection centres only on forms bearing the stamp of a Broker or with respect to ASBA Applicants, ensure that your application is submitted at a Designated Branch of the SCSB where the ASBA Applicant or the person whose bank account will be utilised by the Applicant for applying, has a bank account;
- With respect to applications by ASBA Applicants, ensure that the 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 Application Form;
- Non Retail Applicants should submit their applications through the ASBA process only;
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB or a Banker to the Issue, as the case may be;
- Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- Except for applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) applications by persons resident in the State of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for applications of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Application Form. The exemption for the Central or 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;

- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the category is indicated;
- Ensure that in case of applications under power of attorney or applications by limited companies, corporate, trusts etc., relevant documents are submitted;
- Ensure that applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the SCSBs match with the DP ID, Client ID and PAN available in the Depository database;
- In relation to the ASBA applications, ensure that you use the Application Form bearing the stamp of the relevant SCSB and/ or the Designated Branch;
- In relation to the ASBA applications, ensure that your Application Form is submitted at a Designated Branch of a SCSB where the ASBA Account is maintained or to our Company or the Registrar to the Issue;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- In relation to the ASBA applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
- In relation to the ASBA applications, ensure that you receive an acknowledgement from the Designated Branch for the submission of your Application Form.

***Dont's:***

- Do not apply for a price other than the Issue Price;
- Non Retail Applicants should neither withdraw nor lower the size of their applications at any stage;
- Do not apply on another Application Form after you have submitted an application to the Bankers to the Issue or the SCSBs, as applicable;
- Do not pay the Application Amount in cash, cheque, money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to a Banker to the Issue or the SCSB, only;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit the applications without the full Application Amount;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872, as amended.



***Disposal Of Applications And Application Moneys And Interest In Case Of Delay***

The Company shall ensure the dispatch of Allotment advice, Instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge Platform where the Equity Shares are proposed to be listed are taken within 6 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) The allotment and listing of Equity Shares shall be made within 6(six) working days from the Issue Closing Date;
- 2) Instruction to SCSBs to unblock funds given to the clearing system within 4 (four) working days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 6 (Six) working days time period as mentioned above, if Allotment is not made and Instruction to SCSBs to unblock funds are not given and/ or demat credits are not made to investors within the 4 (four) working days time.

***Impersonation***

*Attention of the applicants is also specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:*

***“Any person who:***

- a. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

***shall be liable for action under Section 447 of the Companies Act, 2013.”***

***Section 447 of the Companies Act, 2013, is reproduced as below: “Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.***

***Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”***

***Utilization Of Issue Proceeds***

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of SEBI(LODR) Regulations,2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue; and
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

***Withdrawal Of The Issue***

Our Company, in consultation with the Lead Manager reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment.

The final ROC approval of the Prospectus after it is filed with the ROC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

***Equity Shares In Dematerialised Form with NSDL Or CDSL***

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into an agreement dated June 29, 2017 with Central Depository Services (India) Limited and dated July 13, 2017 with the National Securities Depository Limited and Registrar of the Company.

The Company's shares bear an ISN No. INE901X01013.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.



If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis a vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### ***Undertakings By Our Company***

The Company undertakes the following:

- that the complaints received in respect of this Issue shall be attended to by the company expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within six working days of the closure of issue;
- that funds required for unblocking the funds to unsuccessful applicants shall be made available to the Registrar to the Issue by the Issuer;
- that the Promoters Contribution in full has already been brought in;
- that the certificate of the securities / refund orders to the non-resident Indians shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
- that the Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received and

### ***Communications***

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts etc.

### ***Procedure and time of Schedule for allotment and issue of Securities***

As per SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated 10<sup>th</sup> November, 2015 which relates to streamlining the process for Public Issue of Equity Shares and Convertibles, SEBI has indicated timeline schedule for various activities related to public issue which is mentioned hereunder:

Sl. No.	Details of Activities	Due Date(working day*)
1.	<p>An investor, intending to subscribe to a public issue, shall submit a completed bid-cum-application form to any of the following intermediaries:</p> <ol style="list-style-type: none"> <li>an SCSB, with whom the bank account to be blocked, is maintained</li> <li>a syndicate member (or sub-syndicate member)</li> <li>a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')</li> <li>a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>	
2.	<p>The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.</p> <p>(i) <u>For applications submitted by investors to SCSB:</u> After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.</p> <p>(ii) <u>For applications submitted by investors to other intermediaries:</u> After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s).</p> <p>Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID, Client ID and PAN, by the end of each bidding day and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.</p> <p>Stock exchange(s) shall allow modification of selected fields in the bid details already uploaded on a daily basis.</p>	<p>Issue opening date to issue closing date (where T is issue closing date)</p>
3.	Closing of Issue	T (Issue closing date)

4.	<p>Stock exchange(s) shall allow modification of selected fields (till 01:00 PM) in the bid details already uploaded.</p> <p>Registrar shall get the electronic bid details from the stock exchanges by end of the day.</p> <p>Syndicate members, brokers, DPs and RTAs shall forward a schedule as per format given below along with the application forms to designated branches of the respective SCSBs for blocking of funds.</p> <table><tr><th>Field No.</th><th>Details*</th></tr><tr><td>1</td><td>Symbol</td></tr><tr><td>2</td><td>Intermediary Code</td></tr><tr><td>3</td><td>Location Code</td></tr><tr><td>4</td><td>Application No.</td></tr><tr><td>5</td><td>Category</td></tr><tr><td>6</td><td>PAN</td></tr><tr><td>7</td><td>DP ID</td></tr><tr><td>8</td><td>Client ID</td></tr><tr><td>9</td><td>Quantity</td></tr><tr><td>10</td><td>Amount</td></tr></table> <p>(*Stock exchange(s) shall uniformly prescribe character length for each of the above-mentioned fields)</p> <p>SCSBs shall continue / begin blocking of funds.</p> <p>Designated branches of SCSBs may not accept schedule and applications after T+1 day.</p> <p>Registrar shall give bid file received from stock exchanges containing the application number and amount to all the SCSBs who may use this file for validation / reconciliation at their end.</p>	Field No.	Details*	1	Symbol	2	Intermediary Code	3	Location Code	4	Application No.	5	Category	6	PAN	7	DP ID	8	Client ID	9	Quantity	10	Amount	T+1
Field No.	Details*																							
1	Symbol																							
2	Intermediary Code																							
3	Location Code																							
4	Application No.																							
5	Category																							
6	PAN																							
7	DP ID																							
8	Client ID																							
9	Quantity																							
10	Amount																							
5.	<p>Issuer, merchant banker and registrar shall submit relevant documents to the stock exchange(s) except listing application, allotment details and demat credit and refund details for the purpose of listing permission.</p> <p>SCSBs shall send confirmation of funds blocked (Final Certificate) to the registrar by end of the day.</p> <p>Registrar shall reconcile the compiled data received from the stock exchange(s) and all SCSBs (hereinafter referred to as the “reconciled data”).</p> <p>Registrar shall reject multiple applications determined as such, based on common PAN.</p> <p>Registrar shall undertake “Technical Rejection” test based on electronic bid details and prepare list of technical rejection cases.</p>	T+2																						
6.	<p>Finalisation of technical rejection shall be done and minutes of the meeting between issuer, lead manager, registrar shall be prepared.</p>																							

	<p>Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval.</p> <p>Designated Stock Exchange(s) shall approve the basis of allotment.</p> <p>Registrar shall prepare funds transfer schedule based on approved basis of allotment.</p> <p>Registrar / Issuer shall initiate corporate action to carry out lock-in for pre-issue capital held in depository system.</p> <p>Registrar and merchant banker shall issue funds transfer instructions to SCSBs.</p>	T+3
7.	<p>Registrar shall receive confirmation for pre-issue capital lock-in from depositories.</p> <p>SCSBs shall credit the funds in public issue account of the issuer and confirm the same.</p> <p>Issuer shall make the allotment.</p> <p>Registrar / Issuer shall initiate corporate action for credit of shares to successful allottees.</p> <p>Issuer and registrar shall file allotment details with designated stock exchange(s) and confirm all formalities are complete except demat credit.</p> <p>Registrar shall send bank-wise data of allottees, amount due on shares allotted, if any, and balance amount to be unblocked to SCSBs.</p>	T+4
8.	<p>Registrar shall receive confirmation of demat credit from depositories.</p> <p>Issuer and registrar shall file confirmation of demat credit, lock-in and issuance of instructions to unblock ASBA funds, as applicable, with stock exchange(s).</p> <p>Issuer shall make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission.</p> <p>Issuer, merchant banker and registrar shall publish allotment advertisement before the commencement of trading, prominently displaying the date of commencement of trading, in all the newspapers where issue opening/closing advertisements have appeared earlier.</p> <p>Stock exchange(s) shall issue commencement of trading notice.</p>	T+5
9.	Commencement of Trading	T+6
<b>*Working days will be all trading days excluding Sundays and bank holidays</b>		

**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 as amended. 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 Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft 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 inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Offer 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 Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“ROC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Draft Prospectus, the disclosures in the Draft Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may see “*Glossary and Abbreviations*”.

**SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs*****2.1 Initial public offer (IPO)***

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

**2.2 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Applicants may refer to the Prospectus.

**2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Offer (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

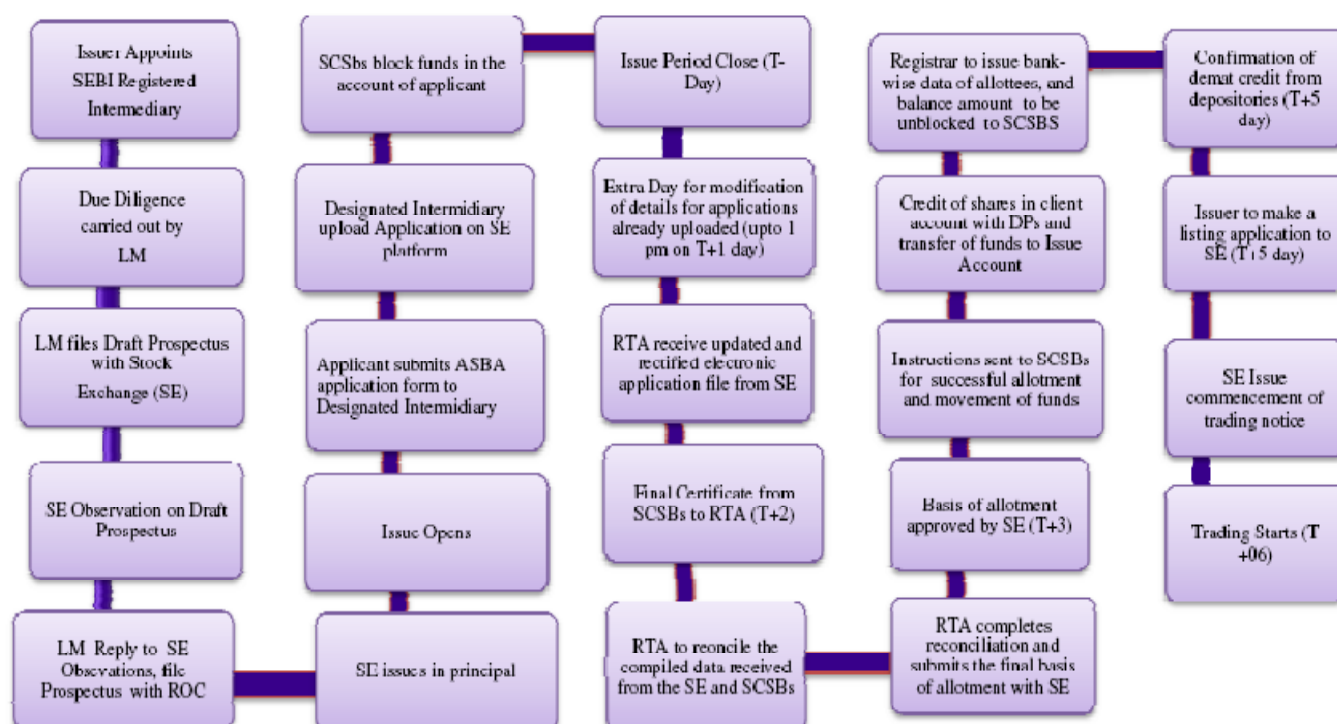
The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

**2.4 Issue Period**

The Offer may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Offer Period. Details of Offer Period are also available on the website of the Stock Exchange(s).

## 2.5 Flowchart Of Timelines



A flow chart of process flow in Fixed Price Issue is as follows.

## **SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE**

*Each Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the application is being made in the name of the HUF in the Application Form/Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Applications by HUFs may be considered at par with Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals applying only under the Non Institutional Investors (“NIIs”) category;
- FPIs other than Category III foreign portfolio investors, applying under the QIBs category;
- FPIs which are Category III foreign portfolio investors, applying under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Apply in the Offer, 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 Offer.

## **SECTION 4: APPLYING IN THE ISSUE**

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs, at the Registered and Corporate Office of the Issuer and at the office of the LM. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. 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 Application Form (Fixed Price Issue)***

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of Resident Indian, Eligible NRIs applying on a non repatriation application form and Eligible NRIs, FVCIs, FIIs, their Sub-accounts(other than sub-accounts which are foreign corporate or foreign individuals bidding under the QIB Portion), on a repatriation basis application form and sample are provided below.

A sample Application Form is reproduced below:



TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>	
Address : _____		Contact Details : _____		CIN No : _____	
LOGO		TO, THE BOARD OF DIRECTORS XYZ LIMITED		Bid cum Application Form No. _____ FIXED PRICE GME ISSUE INE00000000000	
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		Mr. / Ms. _____	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		Address _____	
				Email _____	
				Tel. No (with STD code) / Mobile _____	
				2. PAN OF SOLE / FIRST BIDDER	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL					
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID					
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")					
Bid Options:	No. of Equity Shares Bid (In Figures) (This must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1					<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>
5. CATEGORY					
<input type="checkbox"/> Retail Individual Bidder					
<input type="checkbox"/> Non-Institutional Bidder					
<input type="checkbox"/> QIB					
6. INVESTOR STATUS					
<input type="checkbox"/> Individual(s) - IND					
<input type="checkbox"/> Hindu Undivided Family* - HUF					
<input type="checkbox"/> Bodies Corporate - CO					
<input type="checkbox"/> Banks & Financial Institutions - FI					
<input type="checkbox"/> Mutual Funds - MF					
<input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)					
<input type="checkbox"/> National Investment Fund - NIF					
<input type="checkbox"/> Insurance Funds - IF					
<input type="checkbox"/> Insurance Companies - IC					
<input type="checkbox"/> Venture Capital Funds - VCF					
<input type="checkbox"/> Alternative Investment Funds - AIF					
<input type="checkbox"/> Others (Please specify) - OTH					
* HUF should apply only through Karva (Application by HUF would be treated on par with Individual)					
7. PAYMENT DETAILS					
PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>					
Amount paid (₹ in figures) _____ (₹ in words) _____					
ASBA Bank A/c No. _____					
Bank Name & Branch _____					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.					
8A. SIGNATURE OF SOLE / FIRST BIDDER		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : _____		I/We authorize the SCSB to do all acts as are necessary to make the Application in the line			
		1) _____			
		2) _____			
		3) _____			
TEAR HERE					
LOGO		XYZ LIMITED INITIAL PUBLIC ISSUE - R		Acknowledgement Slip for Broker/SCSB/DP/RTA Bid cum Application Form No. _____	
DPID / CLID				PAN of Sole / First Bidder	
Amount paid (₹ in figures)		Bank & Branch		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED - INITIAL PUBLIC ISSUE - R		Option 1 Option 2 Option 3		Stamp & Signature of Broker / SCSB / DP / RTA	
No. of Equity Shares					
Bid Price					
Amount Paid (₹)					
ASBA Bank A/c No.				Name of Sole / First Bidder	
Bank & Branch					
				Acknowledgement Slip for Bidder	
				Bid cum Application Form No.	

TEAR HERE

**COMMON BID CUM APPLICATION FORM**

TO,  
THE BOARD OF DIRECTORS  
XYZ LIMITED

**XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**

Address : ..... Contact Details : ..... CIN No : .....

**FIXED PRICE SME ISSUE**

**INE00000000000**

**For Eligible NRI, FI, FVCI, applying on Restriction Basis**

Bid cum Application Form No. ....

---

**SYNDICATE MEMBER'S STAMP & CODE**

**BROKER/SCSRDP/RTA STAMP & CODE**

**SUB-BROKER'S / SUB-AGENT'S STAMP & CODE**

**ESCROW BANK/SCSB BRANCH STAMP & CODE**

**BANK BRANCH SERIAL NO.**

**SCSB SERIAL NO.**

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr / Ms. ....

Address : ..... Email : .....

Tel. No (with STD code) / Mobile : .....

**2. PAN OF SOLE / FIRST BIDDER**

.....

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL, enter 8 digit DP ID followed by 1 digit Client ID / For CDSL, enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

Bid Options	No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)
		Bid Price	Retail Discount	Net Price	
Option 1	.....	.....	.....	.....	<input type="checkbox"/>
(OR) Option 2	.....	.....	.....	.....	<input type="checkbox"/>
(OR) Option 3	.....	.....	.....	.....	<input type="checkbox"/>

**5. CATEGORY**

☐ Retail Investor Bidder

☐ Non-Institutional Bidder

☐ QIB

**6. Investor Status**

☐ Non-Resident Indian (Repatriation basis) NRI

☐ Foreign Institutional Investor FI

☐ Foreign Venture Capital Investor FVCI

☐ FI Sub Account Corporate/Individual FII SA

☐ Others (Please Specify) OTH

**7. PAYMENT DETAILS**

Amount paid (₹ in figures) : ..... (₹ in words) : .....

**ASBA**

Bank A/c No. ....

Bank Name & Branch : .....

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

**8A. SIGNATURE OF SOLE / FIRST BIDDER**

.....

Date : .....

**8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)**  
(AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the line

1) .....

2) .....

3) .....

**BROKER / SCSEB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)**

.....

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LOGO

**XYZ LIMITED**

**INITIAL PUBLIC ISSUE - NR**

**Acknowledgement Slip for Broker/SCSB/DP/RTA**

Bid cum Application Form No. ....

NAME of Sole / First Bidder

.....

DPID / CIN : .....

Amount paid (₹ in figures) : ..... Bank & Branch : .....

ASBA Bank A/c No. ....

Received from Mr/Ms. ....

Telephone/Mobile : ..... Email : .....

Stamp & Signature of SCSB Branch

.....

---

**XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**

No. of Equity Shares : .....

Bid Price : .....

Amount Paid (₹) : .....

ASBA Bank A/c No. ....

Bank & Branch : .....

Stamp & Signature of Broker / SCSB / DP / RTA

.....

NAME of Sole / First Bidder

.....

**Acknowledgement Slip for Bidder**

Bid cum Application Form No. ....

#### 4.1.1 Field Number 1: Name and Contact Details Of The Sole / First Applicant

- a) 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:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of 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 Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint Applications, the Applications should be made in the name of the 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 Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **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:*

- *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to 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 Applicants should inform their respective DP.

#### 4.1.2 Field Number 2: Pan Number of Sole/First Applicant

- a) PAN (of the sole/first Applicant) provided in the 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 Applications on behalf of the Central or State Government, Applications



by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. Applications by the 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 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) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by applicants 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: Applicants Depository Account Details***

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Offer.
- d) 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 Applicants’ sole risk.
- e) Applications by Applicants 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

#### ***4.1.4 Field 4: Price, Application Quantity & Amount***

- a) The Issuer may mention Price or Price Band in the Prospectus. However a prospectus registered with ROC contains one price.
- b) **Minimum Application Value:**
  - **For Other than Retail Individual Investors:**  
Such number of Equity Shares in multiples of 4,000 Equity Shares at an Issue price of Rs. 35 each, such that the Application Value exceeds Rs. 2,00,000/-
  - **For Retail Individuals Investors:**  
4,000 Equity Shares at an Issue prices of Rs. 35 each.

**c) Maximum Application Value:**

- **For Other than Retails Individual Investors:**

The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.

- **For Retail Individuals Investors:**

Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.

**d)** An application cannot be submitted for more than the Offer size.

**e)** The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

**f) Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

**g)** Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

- 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
- 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as applications on behalf of the 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.

**h)** The following applications may not be treated as multiple applications:

- 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
- 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the application has been made.
- 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.1.5 Field Number 5 : Category of Applicants**

**a)** The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of application, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

**b)** An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, 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 Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.1.6 Field Number 6: Investor Status**

- a) Each 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 Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) 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 Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 Field 7: Payment Details**

- a) All Applicants are required to use ASBA facility to block 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 funds shall be blocked for 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) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue.
- c) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### **4.1.7.1 Payment Instructions for Applicants**

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Application Forms can be submitted.

- f) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### ***4.1.7.2 Unblocking of ASBA Account***

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i ) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

#### ***4.1.7.3 Discount (If Applicable)***

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.

- c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

**4.1.8.1 Field Number 8: Signatures and Other Authorisations & Acknowledgement And Future Communication**

- a) Only the First Applicant is required to sign the Application Form. 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 Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.
- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

**4.1.8.2 Acknowledgement and Future Communication**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with 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, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries -
- i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

**4.2 Instructions for Filing The Revision Form**

- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications 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 Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No. ....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QEBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px; display: inline-block;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">ISIN : .....</div>
		Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Address <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>

**PLEASE CHANGE MY BID**

<b>4. FROM (AS PER LAST BID OR REVISION)</b>															
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)									Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)					
Option 1	8	7	6	5	4	3	2	1	3	2	1	3	2	1	"Cut-off" (Please tick)
(OR) Option 2															<input type="checkbox"/>
(OR) Option 3															<input type="checkbox"/>

<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid as "Cut-off")</b>															
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)									Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)					
Option 1	8	7	6	5	4	3	2	1	3	2	1	3	2	1	"Cut-off" (Please tick)
(OR) Option 2															<input type="checkbox"/>
(OR) Option 3															<input type="checkbox"/>

<b>6. PAYMENT DETAILS</b>														
Additional Amount Paid (₹ in figures)										₹ in words				
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>														
PAYMENT OPTION : <input type="checkbox"/> FULL PAYMENT <input type="checkbox"/> PART PAYMENT														

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ASBID/PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDPI) AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>  Date : <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s)</b> (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the law 1) <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> 2) <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> 3) <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)
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TEAR HERE

LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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DPID / CLID	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	PAN of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>
Additional Amount Paid (₹)		Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Option 1</td> <td style="width: 20%;">Option 2</td> <td style="width: 20%;">Option 3</td> </tr> <tr> <td>No. of Equity Shares</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> </tr> <tr> <td>Bid Price</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> </tr> <tr> <td colspan="3">Additional Amount Paid (₹)</td> </tr> <tr> <td colspan="3">ASBA Bank A/c No.</td> </tr> <tr> <td colspan="3">Bank &amp; Branch</td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Bid Price	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Additional Amount Paid (₹)			ASBA Bank A/c No.			Bank & Branch			Stamp & Signature of Broker / SCSB / DP / RTA Name of Sole / First Bidder <div style="border: 1px solid black; padding: 2px; text-align: center; margin: 5px 0;"><b>Acknowledgement Slip for Bidder</b></div> Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
Option 1	Option 2	Option 3																		
No. of Equity Shares	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>																		
Bid Price	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>																		
Additional Amount Paid (₹)																				
ASBA Bank A/c No.																				
Bank & Branch																				

#### **4.2.1 Fields 1, 2 And 3: Name And Contact Details Of Sole/First Applicant, Pan Of Sole/First Applicant & Depository Account Details Of The Applicant**

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 Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed Rs.200,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 Field 6: Payment Details**

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### **4.2.4 Fields 7: Signatures and Acknowledgements**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 Submission of Revision Form/Application Form**

Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively

### **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being the Fixed Price Issue this section is not applicable for this Issue.

### **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer.** As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the ROC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The

Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Offer Opening Date.

In a fixed price Offer, allocation in the net offer 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, Applicants may refer to grounds for technical rejection in chapter “**Issue Procedure**” on page no. 292.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum application size subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 100% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer 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 Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer 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 Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Offer 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 Offer 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 Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer 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 Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 Allotment to QIBs

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations, 2009 or Prospectus. Applications received from QIBs applying in the QIB Category (net of Anchor Portion) at the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have applied at issue price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that applications by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid applications received at the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted applications at the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares applied for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

### 7.4 Allotment to Anchor Investor (If Applicable)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Investor / Selling Shareholder and the LMs, subject to compliance with the following requirements:
  - 1) not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - 2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to Rs. 10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum Allotment of Rs. 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 250 crores, and an additional 10 Anchor Investors for every additional Rs. 250 crores or part thereof, subject to minimum Allotment of Rs. 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated



to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer 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 Offer Price is lower than the Anchor Investor Offer 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 Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the oversubscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

### ***7.6 Designated Date and Allotment Of Equity Shares***

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of

Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Offer.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: ( i ) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 6 Working Days of the Issue Closing Date,

## **SECTION 8: INTEREST AND REFUNDS**

### ***8.1 Completion of Formalities for Listing & Commencement Of Trading***

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Offer Closing Date.

### ***8.2 Grounds for Unblocking of Funds***

#### ***8.2.1 Non Receipt of Listing Permission***

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.

#### ***8.2.2 Non Receipt of Minimum Subscription***

If the Issuer does not receive a minimum subscription of 100% of the Net Offer (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 Offer Closing Date and repay, without

interest, all moneys received from Investors. If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days (or such lesser days as may be applicable), 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 and subject to SEBI ICDR Regulation 2009, as amended.

### ***8.2.3 Minimum Number of Allottees***

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 50, failing which the entire application monies may be unblocked forthwith.

## ***8.3 Mode of Unblocking of Funds***

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### ***8.3.1 Mode of Making Refunds to Applicants***

In case of ASBA 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 applications 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 if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Offer 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 Issue of Equity Shares pursuant to the Issue to successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Applicant to whom the Equity Shares are Issued/Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Application Form*	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment.
Anchor Investor Portion*	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the LMs, 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 shall apply for the Equity shares of the Company.
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Applicants, authorising SCSB to block the application amount in the specified bank account of the applicants.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the application Amount of the Applicant.
Banker(s) to the Issue	The Banks which are registered with SEBI as Bankers to the Issue wherein the Public Issue Account of the Company will be opened and as disclosed in the Prospectus and Application Form of the Issuer.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants.
Bid*	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer 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 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
Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any applications 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 may refer to the Prospectus for the Offer Closing Date.
Issue Opening Date	The date on which the Designated Intermediaries may start accepting applications 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 may refer to the Prospectus for the issue Opening Date.
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the issue Opening Date and the issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their applications, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period.
Applicant	Any prospective investor who makes a application pursuant to the terms of the Prospectus and the Application Form.
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009.
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Lead Manager / LM	The Lead Manager to the Offer as disclosed in the Prospectus and the 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
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful 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 Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by

	SEBI
Cut-off Price*	Offer 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 Application Forms used by Applicants and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where applicants can submit the Application Forms to Collecting Depository Participants.
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the bank accounts of the ASBA Applicant to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to the Allottees.
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where applicants can submit the Application Forms to RTAs.
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount*	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI / Stock Exchange in case of Fixed Price Issues and which may mention a price or a Price Band.
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Applicant may refer to the Prospectus.
Equity Shares	Equity Shares of the Issuer
Public Issue Account	Account opened with the Banker(s) to the Issue in which funds would be transferred from the bank account of ASBA Applicant after successful allotment of the shares in the Issue.
Public Issue Account Agreement	Agreement dated 12 <sup>th</sup> February, 2016 entered into amongst the Company, Lead Manager, the Registrar and the Bankers to the Issue for freezing of the Application Amounts and for unfreezing of the amounts freezed on the terms and condition thereof.

FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India.
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made.
Floor Price*	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer 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
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Lot of Equity shares. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Lot of equity shares.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion*	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the Prospectus and Application Form
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 Offer and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less market maker reservation portion.
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs) All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have

	applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the 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
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band*	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer 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 one working day in case of FPO, prior to the Bid/Offer 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 Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the ROC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
QIB Category	The portion of the Offer 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
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by

	SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the Prospectus and Application Form
Reserved Category / Categories	Categories of persons eligible for making application under reservation Portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies for a value of not more than Rs. 2,00,000 (including HUFs applying through their Karta and eligible NRIs and does not include NRIs other than Eligible NRIs.)
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Applicants, in an issue through Book Building Process to modify the quantity of Equity Shares indicated therein in any of their Application Forms or any previous Revision Form(s)
ROC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Bidding centres where the Syndicate shall accept Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The 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 Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into.
Working Days	All trading days of stock exchanges excluding Sundays and bank holidays

*\*As this is the Fixed price issue, hence certain terms mentioned above are not applicable in this case of Public Issue.*



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated primarily by the FEMA and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India through circular 2 of 2011 with effect from October 1, 2011 (“FDI Policy”). While the FDI Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government bodies responsible for granting foreign investment approvals are FIPB and the RBI. In terms of the Consolidated FDI policy (effective from June 07, 2016), issued by the Department of Industrial Policy and Promotion, 100% foreign direct investment in the Company is permitted.

The present consolidation subsumes and supersedes all Press Notes/Press Releases/Clarifications/Circulars issued by DIPP, which were in force as on June 07, 2016 and reflects the FDI Policy as on June 07, 2016. This Circular accordingly will take effect from June 07, 2016 and will remain in force until superseded in totality or in part thereof. Reference to any statute or legislation made in this Circular shall include modifications, amendments or re-enactments thereof.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2015 which is valid till RBI issues new Circular. 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.

### ***Subscription by foreign investors (NRIs/FIIs)***

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that

- (i) the activities of the investee company are under the automatic route under the 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 SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

### ***Representation from the Applicants***

No person shall make an Application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make Application under the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for

advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

**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 Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**



## SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Pursuant to Schedule II of the Companies Act, the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.*

The Authorized capital of our Company is Rs. 5,20,00,000 divided into 5,20,000 Equity Shares of Rs. 10 each.

**\*Vide Special Resolution passed in the EGM on 11/04/2017 for conversation private to public Company, FELIX INDUSTRIES PRIVATE LIMITED to FELIX INDUSTRIES LIMITED.**

### Table “F” to apply save as varied

- (a) The regulations contained in Table ‘F’ in Schedule I to the Companies Act, 2013 (“Table ‘F’”), as are applicable to a public company limited by shares, shall apply to the Company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table ‘F’, the provisions of these Articles shall prevail.

## INTERPRETATION

1. In these Articles unless there be something in the subject matter or context inconsistent therewith:
  - i. “The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.
  - ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time
  - iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.
  - iv. “Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.
  - v. “Chairman” means the Chairman of the Board of the Directors of the Company.
  - vi. “The Company” means Felix Industries Limited.
  - vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.
  - viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) I of the Depositories Act, 1996.
  - ix. “Directors” mean the Directors for the time being of the Company.
  - x. “Dividend” includes any interim dividend.
  - xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.
  - xii. “Equity Share Capital”, with reference to any Company limited by shares, means all share capital which is not preference share capital;
  - xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.
  - xiv. “Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and

- includes a director occupying the position of managing director, by whatever name called.
- xv. “Month” means Calendar month.
  - xvi. “Office” means the registered office for the time being of the Company.
  - xvii. “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;
  - xviii. “Postal Ballot” means voting by post or through any electronic mode.
  - xix. “Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.

**# New set of Article of Association of the Company adopted in EGM held on 11<sup>th</sup> April, 2017.**

- xx. “Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
- xxi. “Registrar” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.
- xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
- xxiii. “SEBI” means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
- xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)
- xxv. “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.
- xxvi. “Seal” means the common seal of the Company.
- xxvii. “Preference Share Capital”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
  - a. payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
  - b. repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing

words in a visible form.

### **Share Capital**

2. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

### **Issue of Sweat Equity Shares**

4. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

### **Issue of Debentures**

5. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

### **Issue of Share Certificates**

6.
  - i. entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.
  - ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
  - iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-

up thereon.

- iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
7. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.
8. Except as required by law, no person shall be authorized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
9. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

#### **Power to pay Commission In connection with the Securities issued**

10.
  - i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

#### **Variations of Shareholder's rights**

11.
  - i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
1. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.

**Issue of Preference Shares**

2. Subject to the provisions of section 55 and 62, any preference shares may with the sanction of Special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

**Further Issue of shares**

3. (1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:
- (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.
- (2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

**Lien**

- 15.
- i. The Company shall have a first and paramount lien—
    - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
    - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;
    - c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- i. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 17.
- i. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
  - ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 18.
- i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
19. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-
- a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.
  - b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
  - c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
  - d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
  - e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.
  - f)
    - (i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.
    - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.
  - g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

**Calls on shares**

20.

- i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.

- ii.) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- iii.) A call may be revoked or postponed at the discretion of the Board.

21. A call shall be deemed to have been made at the time when the resolution of the Board authorized the call was passed and may be required to be paid by instalments.

22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

23.

- i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.
- ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.

24.

- i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- ii. In case of non-payment of such sum, all the relevant provisions of these regulations 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.

25. The Board—

- i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

26. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.



27. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.
28. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

### **Transfer of shares**

- 29.
- i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
  - ii. Each share in the Company shall be distinguished by its appropriate number.

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.

- 30.
- i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
  - ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

31. The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-

- i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- ii. any transfer of shares on which the Company has a lien.
- iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

32. The Board shall decline to recognise any instrument of transfer unless—

- the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares. Provided that, transfer of shares in whatever lot shall not be refused.
- The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),
- Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;
- If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.

33. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid



objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay

34. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

35. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

### **Register of Transfers**

36. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

### **Dematerialisation of Securities**

37.

- 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 dematerialized 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:-

- All Securities of the Company held by the Depository shall be authorized on and be in fungible form.
- 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.

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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 dematerialized forms in any media as may be permitted by law including in any form of electronic media.
- vi. 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.

### **Transmission of shares**

38.

- i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons authorized by the Company as having any title to his interest in the shares.
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

39.

- i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
  - a. to be registered himself as holder of the share; or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
- ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

40.

- i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the

death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

41. 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.

42. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of administration, Certificate of Death or marriage, power of attorney or similar other documents.

#### **Forfeiture of shares**

43. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
44. The notice aforesaid shall—
  - i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
46.
  - i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
47.
  - i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
  - ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
48.
  - i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the

- Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;
  - iii. The transferee shall thereupon be registered as the holder of the share; and
  - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
49. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
  50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
  51. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
  52. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
  53. The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
  54. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **Initial payment not to preclude forfeiture**

55. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

#### **Alteration of capital**

56. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
57. Subject to the provisions of section 61, the Company may, by ordinary resolution,—

- (iv) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (v) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (vi) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (vii) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

### **Conversion of Shares into Stock**

58. Where shares are converted into stock,—

- i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

### **Reduction of Capital**

59. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

- i. its share capital;
- ii. any capital redemption reserve account; or
- iii. Any share premium account.

### **Share Warrants**

60. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.

The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were

inserted in the register of members as the holder of the shares including in the deposited warrants.

Not more than one person shall be recognized as depositor of the share warrant.

The Company shall, on two days written notice, return the deposited share warrants to the depositor.

Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

### **Capitalisation of profits**

61.

- i. The Company in general meeting may, upon the recommendation of the Board, resolve—
  - a. that it is desirable to authorized any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
  - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;
  - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
  - d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - e. The Board shall give effect to the resolution passed by the Company in pursuance of this –regulation.
- iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.

62.

- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - a. make all appropriations and applications of the undivided profits resolved to be authorized thereby, and all allotments and issues of fully paid shares if any; and
  - b. generally to do all acts and things required to give effect thereto.
- ii. The Board shall have power—
  - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it

- thinks fit, for the case of shares becoming distributable infractions; and
- b. to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such authorized on, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be authorized, of the amount or any part of the amounts remaining unpaid on their existing shares;
  - iii. Any agreement made under such authority shall be effective and binding on such members.

### **Buy-back of shares**

1. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

### **General Meeting**

64. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.
65.
  - i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. Of the members entitled to vote at such meeting.
  - iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **Proceedings at general meetings**

66.
  - i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - ii.
    - i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.
    - ii. In any other case, the quorum shall be decided as under:
      - a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
      - b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
67. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
68. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect



one of their members to be Chairperson of the meeting.

69. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
70. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
71. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

#### **Demand for poll**

72.
  - i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.
  - ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

#### **Time of taking poll**

73.
  - i. A poll demanded on a question of adjournment shall be taken forthwith.
  - ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

#### **Adjournment of meeting**

74.
  - i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
  - ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

75. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - i. on a show of hands, every member present in person shall have one vote; and
  - ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share

capital of the Company.

76. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
77.
  - i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
78. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
79. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
80. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
81. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
82.
  - i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
83. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

#### **Casting Vote**

84. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

#### **Representation of Body Corporate**

85. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

**Circulation of member's resolution**

86. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

**Resolution requiring special notice**

87. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

**Resolutions passed at adjourned meeting**

88. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

**Registration of resolutions and agreements**

89. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

**Minutes of proceedings of general meeting and of Board and other meetings**

- 90.
- i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
  - ii. Each page of every such book shall be authorize or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
    - A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
    - B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly 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 shall also contain:
      - a. the names of the Directors present at the meetings, and
      - b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
  - iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
    - a. is or could reasonably be regarded, as defamatory of any person

- b. is irrelevant or immaterial to the proceedings; or
  - c. in detrimental to the interests of the Company.
- iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

#### **Minutes to be considered to be evidence**

91. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

#### **Publication of reports of proceeding of general meetings**

92. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

#### **Proxy**

93. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
94. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
95. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

96. The first directors of the Company shall be:
- 1. Ritesh Vinay Patel
  - 2. Mayuri Vinay Patel
97. The Directors need not hold any “Qualification Share(s)”.
- 98.
- i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
  - ii. In addition to the remuneration payable to them in pursuance of the Act, the directors –may be paid all travelling, hotel and other expenses properly incurred by them—
    - a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
    - b. in connection with the business of the company.

99. The Board may pay all expenses incurred in getting up and registering the company.
100. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
101. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
102. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 103.
- i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
  - ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

#### **Retirement and Rotation of Directors**

104. Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.
105. The remaining Directors shall be appointed in accordance with the provisions of the Act.
106. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
107. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
108. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.
109. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

#### **Nominee Director**

110. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain

owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as “the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

111. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.
  112. The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
  113. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.
- Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.
114. Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

#### **Removal of Directors**

115. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

116. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
117. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
118. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,
- (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
  - (b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

119. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.
120. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
121. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

122. Nothing in this section shall be taken-
- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
  - b) as derogating from any power to remove a director under other provisions of this Act.

#### **Remuneration and sitting fees to Directors including Managing and whole time Directors**

123. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and



other expenses incurred by them.

- a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
- b. connection with the business of the Company.

124. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

### **Powers and duties of Directors:**

#### **Certain powers to be exercised by the Board only at meeting**

125.

- i. 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.
  - a. The power to make calls on shareholders in respect of money unpaid on their shares;
  - b. The Power to authorize buy-back of securities under Section 68 of the Act.
  - c. Power to issue securities, including debenture, whether in or outside India
  - d. The power to borrow moneys
  - e. The power to invest the funds of the Company,
  - f. Power to Grant loans or give guarantee or provide security in respect of loans
  - g. Power to approve financial statements and the Board's Report
  - h. Power to diversify the business of the Company
  - i. Power to approve amalgamation, merger or reconstruction
  - j. Power to take over a Company or acquire a controlling or substantial stake in another Company
  - k. Powers to make political contributions;
  - l. Powers to appoint or remove key managerial personnel (KMP);
  - m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - n. Powers to appoint internal auditors and secretarial auditor;
  - o. Powers to take note of the disclosure of director's interest and shareholding;
  - p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;
  - q. Powers to invite or accept or renew public deposits and related matters;
  - r. Powers to review or change the terms and conditions of public deposit;
  - s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), I and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.



- b. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
- c. Every resolution delegating the power referred to in sub-clause I of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- d. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.
- e. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

#### **Restriction on powers of Board**

126.

- i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
  - a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
  - b) remit, or give time for the repayment of any debt, due by a Director;
  - c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
  - d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
  - e) contribute to bona fide charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.
- ii. Nothing contained in sub-clause (a) above shall affect:
  - a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
  - b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
- iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorize the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
- iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

127. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

### **General powers of the Company vested in Directors**

128. 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 statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

### **Specific powers given to Directors**

129. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:
- i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;
  - ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, here ditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm 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 believe or may be advised to be reasonable satisfactory;
  - iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
  - iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
  - v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
  - vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

- vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
- viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- ix. To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
- xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
- xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
- xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
- xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
- xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non

contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;

- xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
- xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
- xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

## **MANAGING DIRECTORS**

### **Power to appoint Managing or Whole-time Directors**

130.

- a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of

monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

- b) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

### **Proceedings of the Board**

131.

- a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

132. The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.

133.

- a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

134. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

135. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

136.

- a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

### **Delegation of Powers of Board to Committee**

137.

- a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

138.

- a) A committee may elect a Chairperson of its meetings.
- b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 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.

139.

- a) A committee may meet and adjourn as it thinks fit.
  - b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
140. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
141. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

142. Subject to the provisions of the Act,—
- a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may 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;
  - b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.
143. A provision of the Act or these regulations requiring or authorized a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.

#### **The Seal**

- 144.
- a) The Board shall provide for the safe custody of the seal.
  - b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board 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.

#### **Dividends and Reserve**

145. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
146. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
- 147.
- a) The Board may, before recommending any dividend, set aside out of the profits of the Company such

sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for authorized dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

- b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

148.

- a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

149. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

150.

- a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

151. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

152. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

153. No dividend shall bear interest against the Company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

154. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.

The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

155. The Board may retain dividends payable upon shares in respect of which any person is, under the



Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

156. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

### **Accounts**

157.

- a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
- b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.

### **Inspection of Statutory Documents of the Company:**

158. Minutes Books of General Meetings

- 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 the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.

- b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.

159. Register of charges:

- a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.
- b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
  - a. by any member or creditor without any payment of fees; or
  - b. by any other person on payment of such fees as may be prescribed,

Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

### **Audit**



160.

- a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.
- c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

### **Winding up**

161. Subject to the provisions of Chapter XX of the Act and rules made there under—

- i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.

### **Indemnity**

162. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—

### **Secrecy**

163.

- (a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.
- (b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

## SECTION X – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected on working days between 10.00 a.m. to 5.00 p.m. at the Registered Office of our Company located at 203, Devshruti Complex, opp. Medisurge Hospital, Nr. Mithakali Cross Road, Ellisbridge, Ahmedabad- 380006, Gujarat, India from date of filing the Draft Prospectus with ROC till the Issue Closing Date.*

**Material Contracts**

- 1) Memorandum of Understanding dated July 04, 2017 between our Company to the Lead Manager to the Issue.
- 2) Agreement dated July 05, 2017 between our Company and the Registrar to the Issue
- 3) Underwriting Agreement dated July 05, 2017 between our Company, the Lead Manager, the Market Maker and Underwriter.
- 4) Market Making Agreement dated July 06, 2017 between our Company, Lead Manager and Market Maker.
- 5) Tripartite agreement among the NSDL, our Company and the Registrar to the Issue dated July 13, 2017.
- 6) Tripartite agreement among the CDSL, our Company and the Registrar to the Issue dated June 29, 2017.
- 7) Public Issue Account Agreement dated [●] signed between our Company, the Lead Manager, Banker(s) to the Issue/ Escrow Collection Bank(s) and the Registrar to the Issue.

**Material Documents**

- 1) Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
- 2) Copy of resolution passed at the meeting of the Board of Directors of our Company dated May 15, 2017, authorizing the Fresh Issue of Equity Shares.
- 3) Copy of special resolution of the shareholders passed at the Extra Ordinary General Meeting dated June 10, 2017, authorizing the Fresh Issue of Equity Shares.
- 4) Copy of resolution passed at the Board Meeting held on March 17, 2017 for fixing the term of appointment and the remuneration of, Mr. Ritesh Vinay Patel, Managing Director.
- 5) Copy of Certificate from the Auditors of the Company, M/s S. N. SHAH, Chartered Accountants dated August 09, 2017 regarding the Eligibility of the Issue.
- 6) Copy of Letter dated July 05, 2017, issued by Statutory Auditor to the Company, M/s S. N. SHAH & Associates, Chartered Accountants detailing the Tax Benefits.
- 7) Independent Audit Report and Restated Financial Statements for the Financial Year ended as on March 31, 2017, 2016, 2015, 2014 and 2013 of our Company, issued by the Independent Auditor to the Company (Peer Reviewed Auditor), M/s S.N. Shah & Associates, Chartered Accountants dated June 20, 2017 included in the Draft Prospectus.
- 8) Copies of Annual reports of the Company for the years ended March 31, 2017, 2016, 2015 2014 and 2013.
- 9) Consents of our Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, the Registrar to the Issue, the Statutory Auditors to the Company, Peer Reviewed Auditor, the Legal Advisor to the Issue, Banker(s) to the Company, Market Maker(s), Underwriter(s), and the Banker(s) to the Issue/ Escrow Collection Bank(s) to act in their respective capacities.
- 10) Copy of Board Resolution dated August 24, 2017 for approval of Draft Prospectus and dated [●] for approval of Prospectus.

- 11) Copy of approval from NSE vide letter dated [●], to use the name of NSE in this offer document for listing of Equity Shares on NSE Emerge Platform.
- 12) Legal Due diligence Report dated August 22, 2017, issued by Samvitti Legal.
- 13) Due Diligence Certificate from Lead Manager dated August 23, 2017 filed with NSE and dated [●] filed with SEBI.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/ guidelines issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### SIGNATURE BY ALL THE DIRECTORS OF OUR COMPANY

**Name of the Directors**

**Signature**

**Mr. Ritesh Vinay Patel**  
**DIN No.: 05350896**

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**Mr. Sagar Samir Shah**  
**DIN No.: 03082957**

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**Mrs. Shweta Samir Shah**  
**DIN No.: 03082967**

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**Mr. Janesh Kundanlal Vyas**  
**DIN No.: 03291038**

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**Mr. Kashyap Hasmukhlal Shah**  
**DIN No.: 00169746**

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**Mr. Raxesh Chandravandan Satia**  
**DIN No.: 00577822**

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### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

**Mr. Uday Chandulal Shah**

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### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Hena Shah**

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**PLACE: Ahmedabad**

**DATE: August 24, 2017**

## AnnexureA

## Format for Disclosure of Price Information of Past Issues Handled By Merchant Banker(s)

TABLE1

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup>	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup>	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup>
1	Looks Health Services Limited (Formerly known as Monarch health Services Limited)	12.00	40.00	30-05-2012	42.00	29 <sup>th</sup> June, 2012 – 40.25	28 <sup>th</sup> Aug, 2012- 40.25	26 <sup>th</sup> Nov, 2012- 83.00
2	VCU Data Management Limited	18.75	25.00	23-10-2013	36.25	22 <sup>th</sup> Nov, 2013- 34.40	21 <sup>st</sup> Jan, 2014- 28.15	21 <sup>st</sup> April, 2014- 27.00
3	SPS Finquest Limited	25.08	75.00	03-06-2014	78.00	3 <sup>rd</sup> July, 2014- 78.90	31 <sup>st</sup> Aug, 2014- 77.00	29 <sup>th</sup> Nov, 2014- 83.00
4	Relstruct Buildcon Limited*	23.35	50.00	05-04-2017	50.00	5 <sup>th</sup> May 2017- 36.00	4 <sup>th</sup> July 2017- 39.00	_*

TABLE2: SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total no. of IPOs	Total Amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount–30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium–30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount–180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium–180 <sup>th</sup> calendar days from listing		
			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 %
2012-13	1	12.00	0	0	0	0	0	1	0	0	0	1	0	0
2013-14	1	18.75	0	0	0	0	1	0	0	0	0	0	0	1
2014-15	1	25.08	0	0	0	0	0	1	0	0	0	0	0	1
2017-18	1	23.35	0	1	0	0	0	0	-	-	-	-	-	_*

\*180 days has not been completed of Relstruct Buildcon Limited and hence the data for the same is unavailable.